IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on :19.08.2025

Pronounced on :01.09.2025

CORAM

THE HONOURABLE Dr.JUSTICE G.JAYACHANDRAN

Crl.O.P.No.11251 of 2025

E.Muralitharen, (M/Aged 67 years)
S/o Ethirajulu
No.305, F3 1st Floor, 3rd Main Road, Baba Nagar,
Villivakkam, Chennai 600 049. .. Petitioner/10th Accused

/versus/

The State Rep.by
The Deputy Superintendent of Police,
E.O.W., Ashok Nagar Police Station,
Chennai.
(C.C.No.10 of 2023 in Crime No.21/2022)
..Respondent/Complainant

PRAYER : Criminal Original Petition filed under Section 483 of BNSS., to enlarge the petitioner/Accused (A-10) on bail in C.C.No.10 of 2023, on the file of the Special Judge for TNPID Act, 1997, Chennai in Crime No.21 of 2022.

For Petitioner :Mr.G.M.Gokul Ram
For Respondent :Mr.R.Muniyapparaj, APP Asst.by Mr.M.Sylvester John
For Intervener :Mr.D.Selvam

ORDER

The petitioner/A10, who was arrested and remanded to judicial custody on 12.05.2023 for the offences punishable under Sections 120B, 409,420, 109,34 of Indian Penal Code, 1860, Section 5 of the Tamil Nadu Protection of Interests Depositors (In Financial Establishments)(TNPID) Act, 1997 and Sections 21(3), 22, 23, 24, 25 of Banning Unregulated Deposit Schemes Act(BUDS) Act in Crime No.21 of 2022 on the file of the respondent police, seeks bail.

2. On the complaint dated 08.11.2022 received from Mrs.Nithya, W/o Anbarasan, the respondent police had registered case in Crime No: 21/2022 under Sections 120(B), 409, 420 r/w 109r/w 34 of IPC; Section 5 of TNPID Act, 1997 and Sections 21(3), 22, 23, 24 and 25 of Banning of Unregulated Deposit Schemes Act, 2019. The Economic Offence Wing (EOW) at Chennai had completed the investigation and had filed final report against 41 accused for the offences under Sections 120(B), 409, 420 r/w 109, r/w 34 IPC and Section 5 of TNPID Act, 1997 and Sections 21(3), 22, 23,24,25 of Banning of Unregulated Deposit Schemes Act, 2019, *altered into* Sections 120(B), 468, 471, 420 & 409 r/w 109 IPC and Section 5 of the Tamil Nadu Protection of Interests Depositors (In Financial Establishments)(TNPID) Act, 1997 and

Sections 21(1), 21(2), 21(3), 23 and 25 of Banning of Unregulated Deposit Schemes Act, 2019 (BUDS Act 2019). The case is taken on file by the Special Court for TNPID Act at Chennai in C.C. No:10 of 2023.

3. The petition for bail is filed by E.Muralitharen the 10th accused in C.C.No.10 of 2023 pending on the file of the Special Court, Tamil Nadu Protection of Interest of Depositors Act, 1997, Chennai. The petitioner was arrested on 12.05.2023 and remanded to judicial custody in connection with this case.

<u>Gist of the final report:</u>

4. The complainant Nithya had alleged that she came to know from one Viswanathan of ICF, about M/s Golden Hijau Associates Private Limited company offers 15% interest per month for deposit of Rs.1,00,000/- and incentive of Rs.2000/- for every new depositors introduced. Hence, she deposited Rs.15,00,000/- and also made her friends and relatives to invest in the scheme. The money was collected through Firms by name SG Agro Products and Ram Agro Products. Till July 2022, the promised interest was paid to the depositors through App. Later, they stopped paying the interest and on enquiry, she came to know that, the said Hijau Associates operated by Directors and the

Board Members by appointing Presidents and Vice Presidents, had collected about Rs.34 crores from about thousand persons and fled to Malasiya .

5. The investigation done on the above said complaint has revealed that, M/s Hijau Associates Private Ltd got registered at ROC, Chennai on 28.12.2017. Alexander (A-3); Soundararajan (A-4) and Mahalakshmi, D/o Parandhaman (A-5) were its promoters with 12 Directors. To screen and camouflage collection of deposits and circumvent the RBI and SEBI regulations pertaining to collection of deposits by Non Banking Finance Institution 22 Associate entities by name (1)Aryan Food Industries; (2) ShiridiSai Agencies; (3) Naganathan Traders; (4)Sri Marimuthu Enterprises; (5)VSN India Agro Products; (6)RMK Bros Agro Products; (7)SG Agro Products; (8)Ram Agro Traders; (9)Bhakyalakshmi Agro; (10) Sai Lakshmi Enterprises; (11) Varada Vinayakaa Agro Enterprises; (12) Alif Agro Plus; (13)Aruvi Associates; (14) MST Agro Traders; (15)Sree Ram Agro Enterprises; (16)Nisarga Agro; (17)Kamadhenu Agro; (18) WellGrowth Agro Products; (18) WellGrowth Agro Products; (19) Green Grow Enterprises; (20) Blessy Agro; (21) APM Agro; and (22) Suruthi Baba Agro Enterprises were started. By creating a website through www.mypayhm.com, deposits were collected from about 89,043 persons to a tune of Rs.4414,44,22,350/-. So far about 30,292 complaints received alleging

cheating to a tune of Rs.1620 crores.

Case of the petitioner:

6. In the bail petition, the petitioner states that accused 3 to 5 are the actual accused and beneficiaries of the entire proceeds of crime. They projected themselves as entrepreneur in Oil and Agricultural products. Posing that they needed money and collecting funds from public for the business which will yield high returns. They offered high rate of interest. They collected deposits from various persons including the petitioner offering 15% interest per month and level commission. Initially A-3 to A-5 induced the petitioner to invest money. Later, they instead of using the term " depositors", used the term of 'Farmers' and explained that farmers are providing agricultural products to the 2nd accused partnership firm (i.e) M/s Hijau Agro LLP. And the products are sold through 4 firms by name M/s Sri Marimuthu Enterprises, M/s Shiradi Sai Agro Enterprises, Aryan Enterprises and Naganathan Traders. They for collecting deposits told the petitioner to start a proprietary firm by name M/s Nisarga Agro. In order to file GST and IT returns for M/s Nisarga Agro and to release payout to the farmers, OTP would frequently be sent. To avoid disturbance his digital signature, Mail ID and Password were obtained and in possession of one Lakshmanan Auditor of the 2nd accused company. Later on

05.09.2022 without his knowledge he was added as Director of the company along with 8 others. Seven days later the 4th accused resigned from Directorship without conducting Board Meeting.

7. Stating that the prime accused in this case are A-3 to A-5. Only A-4 surrendered and from him about Rs.10 crore recovered. A-3 and A-5 not arrested and still at large. The statement of one Prabakar, the web designer for www.mypayhm.com, through which the deposits collected, it is clear that the website is editable and maintained for the purpose to hype.

8. The petitioner contended that he is an innocent person. Documents will show he is also a victim of the crime similar to 300 depositors who had invested in the first accused company on the promise given by the accused 3 to 5. While, the other depositors were not made as the accused, the petitioner is made an accused by describing him as Director in-charge of the first accused company. The petitioner contend that his role in the first accused company is similar to 2500 Brand Managers, 1000 Project Managers, 500 Vice Presidents, 150 Senior Vice Presidents and 10 Executive Vice Presidents. While they were all not prosecuted, he alone isolated and arrested.

9. Citing long incarceration, the Learned Counsel for the petitioner prays for grant of bail.

10. Objection from the prosecution:

In response to the bail petition, the respondent police has filed a detailed counter, wherein it is stated that M/s Hijau Associates Private Limited got registered at ROC Chennai on 28.12.2017. The company was promoted by A-3 to A-5. this petitioner is a close associate of Alexander the third accused and his father Soundararajan, the fourth accused. While the fourth accused is the Chairman of the M/s Hijau Associates Private Limited, the third accused is the Managing Director of the said company. In furtherance of conspiracy hatched by the accused persons, money was collected from public as deposits offering 15% interest per month. The first accused company had no approval of either RBI under the provision of Section 45 1A (A) of RBI Act or sanction of any regulated deposit scheme with SEBI or Ministry of Corporate Affairs of GoI. As they were receiving huge number of deposits all over South India, to screen the illegal collection of deposits, transferred a small amount of deposits in about 22 Bank Accounts maintained in the name of 22 proprietary Firms. This petitioner is one of the Director of M/s Hijau Associates and also the Proprietor of “M/s VSN India Agro Products” an entity created for the purpose of camouflaging receipt of deposits on behalf of the accused company. Bogus documents and fake bills were created in the name of depositors using their credential as if Agro Products purchased and sold. GST also filed periodically to show the transaction as genuine. This petitioner as a Director of M/s Hijau Associate Private Limited and Proprietor of M/s 'M/s Nisarga Agro Products' had collected deposits around Rs.119 crores from about 569 depositors. The petitioner has also opened bank account in his name and in the name of M/s Nisagra Agro and received money through Mypayhm.com. Evidence collected so far reveals in the Bank Accounts maintained by the petitioner at Bank of Baroda and IDFC Bank Nungambakkam in his personal name a sum of Rs.1.25 crores collected as deposits and in the name of M/s Nisarga Agro at IDFC Bank a sum of Rs.26.84 crores collected. There are tangible evidence to prove, this petitioner had involved in collecting unregulated deposits and was part of the criminal conspiracy with A-3 to A-5.

11. The learned Additional Public Prosecutor submitted though final report and supplementary report filed, in view of the receipt of complaints from the various depositors, the investigation is still continuing.

12. A registered Society by name Hijau Victims Nala Sangam has

filed a petition to intervene in the bail application. The Learned Counsel for the intervener submitted that in view of the gravity of the offence and quantum of money cheated from more than 1000 gullible public, the bail should not be granted.

13. Heard the Learned Counsels for the petitioner, Intervener and the Learned Additional Public Prosecutor.

14. The *modus operendi* of the accused persons in this case as revealed from the records and the submissions of the Additional Public Prosecutor is as below:-

15. M/s Hijau Associates Private Limted and M/s Hijau Agro LLP are the two financial institution promoted by Soundararajan, his son Alexander and his daughter-in-law Mahalakshmi, W/o Alexander. Claiming as owners of oil fields in Malaysia and holder of export orders from 6 countries, they had prepared promotional videos and through agents had propagated that the depositors will be given interest of 15% per month and additional incentive as level commission, if they are able to get more deposits from others. Further, for some of them they have promised that they will be made as Directors/ President

/ Vice President of the company. Virtual and physical Meetings at Star Hotels were conducted and public were made to invest their money by the impressive speech of the accused persons.

16. Further, the investors were also made to believe that their deposits will be invested in the Firms dealing in Agro Products, which will be yielding high returns. For the said purpose, 22 unregistered Firms were floated in the name of different persons, who are known to A-3 to A-5 and they were also made as Directors or President/Vice President of the A-1 and A-2 company. The money deposited in the accounts of these 22 Firms through App, were transferred to the account of A-2 company. Later, the money been withdrawn and laundered by A-3 to A-5 after paying commission to the persons, who were designated as Directors and the Proprietors of the shell Firms. By floating the Shell Firms, the accused persons were able to screen their act of collecting deposit without permission from RBI and SEBI. They have also created records as if they are trading in Agro products. For the sales and service declared fake accounts and paid GST. Award ceremonies and public functions with high dignitaries were organised by the accused persons as if they are upcoming entrepreneurs and the depositors will not only be paid an astronomical rate of interest, but also be made as part of the Company and its share holders. They have also advertised that the private limited company is to become a public

limited company by name M/s Hijau Fresh Limited and steps taken for the conversion.

17. The investigation discloses that, the money collected illegally been shared by the promoters/Directors of the A-1 and A-2 company and the proprietors of the 22 Firms, which were floated in the name of individuals to camouflage the collection of deposits. The persons, who had knowledge of the cheating and benefited out of the cheating are arrayed as accused. Others, who had no knowledge and *mens rea* to cheat are taken as witnesses.

18. In the bail petition, all the accused persons had invariably pleaded that they also lost money in the game conceived by A-3 to A-5 and they are victims of the crime. They are not the perpetrators of the crime. However, the amount they invested, the incentive paid to them and the money they collected from the complainants directly and through the agents appointed by them clearly show that they have shared the proceeds of crime along with A-3 to A-5.

19. In this case, the prime accused A-3 is absconding. The Look Out Notice issued and request to the Malaysian Government to extradict him is pending, his father A-4 (petitioner in Crl.O.P.No.8860 of 2025) pleads that he

was a dormant Chairman of M/s Hijau Associates Pvt. Ltd. His son Alexander alone was the operating the affairs of the company and his whereabouts is not known to him.

20. This petitioner and the other accused persons plea that they were cheated by A-4 and his son A-3. Whereas this petitioner as well as A-4 had contended that the number of investors and the amount alleged to have been cheated are highly exaggerated. According to him, Rs.4414,44,22,350/- is the projected data available in the data base. It includes the return promised to the investors and it is not the actual money invested by the complainants. The prosecution has not taken into account the money received by the investors as interest for the accused companies.

21. The other accused persons, who were Directors of the company and Proprietors of the Shell Firms also plead that they were made as Directors of A-1 company for a short period and later they resigned. The shell companies were floated misusing their digital signatures. They assure that if they are released on bail, they are ready to co-operate with the investigation.

22. It is also pertinent to take note that, after siphoning the money, which runs to more than Rs.1620 crores these accused persons have created

records as if they were relieved from the accused company. A-3 to A-5 have fled out of India. After intensive search, A-4 alone had clandestinely entered to India from Malaysia through Nepal and surrendered to the police. His son A-3 and his daughter in law are still at large.

23. Records reveal that this petitioner is a close associate of A-3 and A-4. He became the Director of the A-1 company. He started a Proprietor concern by name M/s Nisarga Agro Products to collect deposits and payout. Fake documents created to show as if these entities are really active and carrying on business. GST registration obtained and periodical Taxes also paid. Through the bank accounts opened in the name of petitioner and his shell firm 119 crores collected.

24. The submissions made on behalf of the petitioner is contrary to the evidence collected during investigation and placed before the Court for trial. The petitioner bank account shows over and above Rs.28 crores transferred to the account of the petitioner. The petitioner had enjoyed the fruits of the crime and had not come forward to place on record, how much he received as interest, incentive and remuneration for collecting deposit and the assets acquired through the proceeds of crime. The role of the petitioner is the scheme of the

conspiracy and his *mens rea* to commit crime is well found from the evidence collected by the respondent police. If the petitioner is released on bail, the possibility of absconding is high. In the said circumstances, the petition for bail deserves to be dismissed.

25. Accordingly, **this Criminal Original Petition is dismissed**.

01.09.2025

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To
1.The Special Judge Tamil Nadu Protection of Interest of Depositors Act,1997 at Chennai.
2.The Deputy Superintendent of Police, E.O.W.Ashok Nagar Police Station, Chennai.
3.The Central Prison, Puzhal at Chennai.
4.The Public Prosecutor, High Court, Madras.

Dr.G.JAYACHANDRAN, J.

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delivery Order made in
<u>Crl.O.P.No.11251 of 2025</u>

<u>01.09.2025</u>