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.11382 of 2025

Selvam, (M/Aged 63 years),
S/o Swamiappan,
No.52, W, F6 Athunicka Apartments,
Games Park Avenue, Mugappair West,
Chennai 600 037. ..Petitioner/9th 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 of 2022)
..Respondent/Complainant

PRAYER : Criminal Original Petition filed under Section 483 of BNSS, to enlarge the petitioner/Accused (A-9) on bail in C.C.No.10 of 2023 on the file of the Special Judge under the 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/A9, who was arrested and remanded to judicial custody on 03.03.2023 for the offences punishable under Sections 120(B), 468, 471, 420, 409, 34 r/w 109 of Indian Penal Code, 1860; Section 5 of the Tamil Nadu Protection of Interests of Depositors (In financial Establishment) (TNPID) Act, 1997; and Sections 21(1), 21(2), 21(3), 23 and 25 of Banning of Unregulated Deposit Schemes Act (BUDS Act 2019) in Crime No.21 of 2022 on the file of the respondent, 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 of 2022 under Sections 120 (B), 409, 420 r/w 109 r/w 34 IPC and Section 5 of TNPID Act, 1997; Sections 21(3), 22, 23, 24 and 25 of Banning of Unregulated Deposit Schemes Act, 2019. 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 of

IPC and Section 5 of TNPID Act, 1997; and Sections 21(3), 22, 23, 24 and 25 of Banning of Unregulated Deposit Schemes Act, 2019 altered into Sections 120(B), 468,471, 420 & 409 r/w 109 IPC; Section 5 of TNPID Act, 1997 and Section 21(1), 21(2), 21(3), 23, 25 of Banning of Unregulated Deposit Schemes Act, 2019.

3. The petition for bail is filed by Selvam @ SwamiappanSelvam, the 9th 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. He was arrested on 03.03.2023 and remanded to judicial custody in connection with this case.

4. The complainant 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 5G 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 Directors and the Board Members of the said Hijau Associates by appointing Presidents and Vice Presidents, had collected about Rs.34 crores from about thousand persons and fled to Malaysia.

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 unregulated 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.

6. Case of the petitioner:

In the bail petitioner, the petitioner states that accused 3 to 5 are the real accused and beneficiaries of the entire proceeds of crime. They projected themselves as entrepreneur in Oil and Agricultural products. Posing that they need investments for the business which will yield high returns, offered high rate of interest. They collected deposits from various persons including the petitioner offering 15% interest per month and level commission. For collecting deposits the third accused initially opened four business entities and money routed through these entities. Later, they opened 14 additional entities and in one such entity, by name 'Sai Lakshmi Enterprises', this petitioner was made as a Proprietor without his consent and knowledge. The money deposited through this entity was taken back by the accused 3 to 5 into the account of the second accused company M/s Hijau Agro LLP.

7. The petitioner contended that he and his wife are innocent persons and he explained to the respondent police about his role when he was called for enquiry. He placed documents to 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 as an accused by describing him as Director in-charge of the first accused company. The petitioner contended 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.

8. Stating that the entire account of M/s Sai Lakshmi Enterprises was controlled by the accused 3 to 5, soon after inducting the petitioner in this company as Director, the fourth accused resigned as Director of the first accused company without conducting Board Meeting and left India. The petitioner was the Director of the company only for a short period of time.

Hence, he pleads innocence.

9. The learned counsel appearing for the petitioner, relying upon the judgment of the Hon'ble Supreme Court in *(i) Shri Chidambaram v. CBI; (2)Arvind Kejriwal v. CBI ; (3)Satender Kumar Antil v. Central Bureau of Investigation and another;(4)Sheikh Javed Iqbal @ Ashfaq Ansari @ Javed Ansari v. State of Uttar Pradesh; (5)Sanjay Chandra v. CBI; (6)Manish Sisodia v. Directorate of Enforcement; and (7)V.Senthil Balaji v. Deputy Director, Directorate of Enforcement,* prays for bail on the ground that the petitioner had been in prison for a long incarceration and the trial in the case yet to be commenced.

Objection from the prosecution:

10. Objection from the prosecution:

In response to the bail petition, the respondent has filed a detailed counter, wherein it is stated that this petitioner is a close associate of Alexander the third accused and his father Soundarajan 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.

This petitioner is one of the Director of M/s Hijau Associates and also the Proprietor of M/s Sai Lakshmi Enterprises, a entity created for the purpose of camouflaging receipt of deposits on behalf of the third accused company. M/s Hijau Associate Private Limited neither issued with Non Banking Finance Company License by RBI for collecting deposits from the public nor their scheme regulated by SEBI. While so, this petitioner as a Director of M/s Hijau Associate Private Limited and Proprietor of M/s Sai Lakshmi Enterprises, had collected deposits around Rs.50 crores from about 1260 depositors. Evidence collected so far reveals that in the name of M/s Sai Lakshmi Enterprises, Rs.25.59 crores been collected and in his personal two bank accounts, the petitioner has collected Rs.16,83,000/-. This petitioner as a Director of the first accused company and Proprietor of M/s Sai Lakshmi Enterprises had engaged Agents for canvassing deposits from the public. This petitioner cannot be equated with the other investors, who had no role in administering the prime accused company or the sister concern created for the purpose of siphoning the money.

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, Intervenor and the Learned Additional Public Prosecutor.

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

M/s Hijau Associates Private Limited 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. This petitioner and the other accused persons plea that they were cheated by A-4 and his son A-3. Whereas A-4 had contented 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 is the return promise 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.

20. 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-operative with the investigation.

21. 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 are 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 is still at large.

22. Records reveal that the petitioner 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 Sai Lakshmi Enterprises on 5.09.2022 and through this concern, had collected about Rs.50 crores from about 1260 depositors using App Mypayhm.com.

23. 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 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 Rs.50 crores as deposits and the assets acquired through the proceeds of crime. In the said circumstances, the petition for bail deserves to be dismissed.

24. 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, Economic Offences Wing (Hqrs) Ashok Nagar, Chennai.

3.The Puzhal Central Prison, Puzhal, Chennai.

4.The Public Prosecutor, High Court, Madras.

Dr.G.JAYACHANDRAN, J.

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delivery Order made in
Crl.O.P.No.11382 of 2025

01.09.2025