IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on: 19.08.2025	Delivered on: 01.09.2025

CORAM

THE HONOURABLE Dr.JUSTICE G.JAYACHANDRAN

Crl.O.P.No.12363 of 2025

Chandrasekharan, M/A 50 years,
S/o.Govindasamy, (Late),
Flat No.A-410, 4th Floor,
TVS Emarald Green Enclave, A-Block,
Mangadu Main Road, Paraniputhur,
Chennai – 600 012. ... Petitioner/7th Accused

Vs.

The State Represented 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 *Bharatiya Nagarik Suraksha Sanhita,* 2023, pleased to enlarge the petitioner/accused (A-7) 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.Gokulram,
: Mr.S.Elangovan

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

For Intervener : Mr.D.Selvam

ORDER

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 109, 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 Deputy Superintendent of Police, Economic Offence Wing (EOW), Chennai had completed the investigation and filed final report against 41 accused. The case is taken on file by the Special Court for TNPID Act at Chennai in C.C.No:10/2023.

2. The petition for bail is filed by Chandrasekaran, the 7th 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 knowing that he is wanted in the case, had voluntarily surrendered and was remanded to judicial custody on 28/03/2023. He is facing trial for charges under Sections 120(B), 409, 420 r/w 109 r/w 34 of I.P.C and Section 5 of Protection of Interest of Depositors Act and Sections 21(3), 22, 23, 24 and 25 of Banning of unregulated Deposit Schemes Act, 2019 and later altered to 120(B), 468, 471, 420 & 409 r/w 109 IPC and Section 5 of TNPID Act, 1997 and Section 21(1), 21(2), 21(3), 23 and 25 of Banning of Unregulated Deposit Schemes Act, 2019.

3.Gist of the final report:

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 Application. Later, they stopped paying the interest and on enquiry, she came to know that the said M/s.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 Malaysia .

4. 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); Soundarajan (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) Shiridi Sai 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.

5. Case of the petitioner:-

The petitioner states that accused 3 to 5 are the actual accused and beneficiaries of the entire proceeds of crime. On 28/12/2017, A-3 and A-5 (husband and wife) as Directors incorporated M/s.Hijau Associates Pvt Ltd (A-1). On 31/10/2019, the 4th accused, who is the father of the 3rd accused was inducted as Director. All account transaction took place only in the name of M/s.Hijau Agro LLP (A-2). This petitioner is noway connected with the A-2 LLP. The alleged crime occurred between 2020 and July 2022. This petitioner and 8 others were added as Directors on 05/09/2022 only after the occurrence. A-3 to A-5 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. For the purpose to provide payout to the depositors, A-3 to A-5, created 22 firms.

6. 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. In order to send payouts to the farmers, A-3 to A-5 told this petitioner they needed a proprietorship firm and helped to start a proprietorship firm in the name of M/s.Varadha Vinayaga Agro Traders. In the year 2021, A-3 to A-5 informed the petitioner that in order to file GST and IT returns for M/s.Varadha Vinayaga Agro Traders and release payout to farmers, an OTP would frequently be sent to the petitioner's mobile. To resolve the issue and to avoid disturbance his digital signature, e-mail ID and password was given in possession of one Lakshmanan, the Auditor of the 2nd accused company. Later, without his knowledge during September 2022, 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, passing of resolution, or physical signing of minutes.

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 Prabakar the web designer for www.Payhm.com, through which the deposits collected, it is clear that the website is editable and maintained for the purpose to hype. Hence, the projected number of depositors and the amount due to them is erroneous.

8. The petitioner content 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 1st 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. Citing long incarceration, the learned Counsel for the petitioner pray for grant of bail.

9.Objection from the prosecution:-

In response to the bail petition, the Learned Additional Public Prosecutor for the respondent has filed a detailed counter, wherein it is stated that M/s.Hijau Associates Private Limited got registered at ROC Chennai on 28/12/207. The Company was promoted by A-3 to A-5. 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. In furtherance of conspiracy hatched by the accused persons, the 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 Government of India. 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.Varadha Vinayagar Agro Enterprises" 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 through this firm. 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.Varadtha Vinayagar Agro Enterprises" had collected deposits around Rs.53 crores from about 376 depositors. The petitioner has also opened bank account in the name of M/s.Varatha Vinayagar Agro Enterprises and through this account had collected Rs.29.45 crores as deposit. For the said deposit, the petitioner paid a huge commission by A-3 to A-5. Thus, the petitioner privy to the conspiracy and acted as one of the kingpins to cheat the gullible innocent depositors and public. 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.

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

11. A registered Society, by name M/s.Hijau Victims Nala Sangam has filed a petition to intervene in the bail application. The Learned Counsel for the intervener submitted that the bail should not be granted in view of the gravity of the offence and quantum of money cheated from more than 1000 gullible public.

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

13. The *modus operendi* of the accused persons in this case, as revealed from the records and the submission of the public prosecutor, is as below:-

M/s.Hijau Associates Private Limted and M/s.Hijau Agro LLP are the two financial institution promoted by Soundarajan, 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. Both 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.

14. 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.

15. 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.

16. 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.

17. In this case, the prime accused A-3 and A-5 are absconding. The Look Out Notice issued and request to the Malaysian Government to extradict them is pending. A-4 (petitioner in Crl.O.P.No.8860 of 2025) father of A-3 pleads that he was a dormant Chairman of M/s.Hijau Associates Pvt Ltd. His son Alexander alone was operating the affairs of the company and his whereabouts is not known to him.

18. 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.

19. At this juncture, it is 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 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 and his daughter in law A-5 are still at large.

20. The records reveal that the petitioner as a close associate of A3 and A4. Inducted as one of the Directors of the A-1 Company. On the advice of A-3 to A-5, he had started a proprietor concern by name 'M/s.Varatha Vinayagar Agro Enterprises' a shell entity to collect deposits and payout. Fake documents created to show as if these entities are really active in Agro product trade. GST registration obtained and Taxes paid. Through the Bank accounts alone opened in the name of petitioner's shell firms, Rs.29.45 crores collected.

21. The submissions made on behalf of the petitioner is contrary to the evidence collected during investigation and placed before the Court for trial. They have been invariable enjoyed the fruits of the crime and had not come forward to place on record, how much they 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.

22. Accordingly, this Criminal Original Petition is dismissed.

01.09.2025

bsm

To,

1. The Special Court under TNPID Act, Chennai.
2. The Deputy Superintendent of Police,
   E.O.W.Ashok Nagar Police Station, Chennai
3. The Central Prison, Puzhal, Chennai.
4. The Public Prosecutor, High Court of Madras.

Dr. G.JAYACHANDRAN, J.

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Pre-delivery order made in
Crl.O.P.No.12363 of 2025

01.09.2025