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.16610 of 2025

B.Muthukumaran, M/A 33 years,
S/o Balakrishnan,
No. 115, Sekkati Street,
Thadavur,
Salem,
Tamil Nadu- 636116 ... Petitioner/Accused-19

Vs.

The State Represented by:
The Deputy Superintendent of Police,
Economic Offence Wing,
Ashok Nagar, Chennai – 600 083. ... Respondent/Complainant

Prayer: Criminal Original Petition filed under Section 483 of *Bharatiya Nagarik Suraksha Sanhita,* 2023, pleased to enlarge the petitioner on Bail pending trial in C.C.No.10 of 2023 on the file of the Learned Special Judge TNPID Court, Chennai.

For Petitioner : Mr.L.K.Charles Alexander

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

For Intervener : Mr.D.Selvam

ORDER

The petitioner, who was arrested and remanded to judicial custody on 14.03.2025, for the offence punishable under Sections 120(B), 409, 420 r/w 109 r/w 34 of I.P.C and Section 5 of TNPID Act, 1997 and Sections 21(3), 22, 23, 24 and 25 of Banning of Unregulated Deposit Schemes Act, 2019, in Crime No.21 of 2022, registered 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:21/2022 under Sections 120(B), 409, 420 r/w 109 r/w 34 of I.P.C and 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) at Chennai, had completed the investigation and had filed final report against 41 accused, for the offence under Section 120(B), 409, 420 r/w 109 r/w 34 of I.P.C and Section 5 of TNPID Act, 1997 and Section 21(3), 22, 23, 24 and 25 of Banning of Unregulated Deposit Schemes Act, 2019 and later altered to Sections 120(B), 468, 471, 420 & 409 r/w 109 of I.P.C and Section 5 of TNPID Act, 1997 and Section 21(1), 21(3), 23, 25 of Banning of Unregulated Deposit Schemes Act, 2019. The case is taken on file by the Special Court for TNPID Act at Chennai in C.C.No:10/2023.

3. The petition for bail is filed by B.Muthukumaran-the 19th 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 14.03.2025 and remanded to judicial custody in connection with this case.

4. Gist of the final report:

The complainant Nithiya 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 Hijau Associates, operated by Directors and the Board Members by appointing Presidents and Vice Presidents, had collected about 34 crores from approximately 1000 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 with the Registrar of Companies, Chennai, on 28.12.2017. Alexander (A-3), Soundarajan (A-4) and Mahalakshmi, D/o.Parandhaman (A-5) were its promoters, along with 12 other Directors. In order to screen and camouflage the collection of deposits and to circumvent the RBI and SEBI regulations pertaining to collection of deposits by Non-Banking Finance Institutions, 22 Associate entities in the names of (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 been received, alleging cheating to a tune of Rs.1620 crores.

6. Case of the petitioner:-

In the bail petition, the petitioner states that, on the introduction of one Ravichandran, he joined the first accused company as a depositor and invested a sum of Rs.1,00,000/-. He was not aware of the intention of A-1 to A-5, who are the real accused and beneficiaries of the entire proceeds of crime. According to him, as a dice to execute their intention. He is one among the 300 depositors cheated. In the year 2022, A-1 to A-5 insisted him to be the founder of one of the branches of A-1's company, namely "MST AGRO TRADERS'. However, all the transactions of the said company was ruled and maintained by A-3, A-4 and A-5. It was only when they stopped paying the monthly payment in the year 2022, that the petitioner got suspicion about A-3 and A-5. At that time, Ravichandran prevented him from taking action by promising that he will sort out the issue. Meanwhile, the petitioner was arrested and the title documents relating of his and his family members properties were seized and their bank accounts freezed. They worth more than Rs.75 lakhs. The prime accused in this case are A-3 and A-5. They are not arrested and still at large. However, this petitioner was arrested and all his properties and family members properties are seized. The final report and the counter filed apparently bristles with discrepancies, disclosing that the investigation is faulty. While, some of the accused similarly place were released on bail, the prosecution and the intervener object grant of bail to the petitioner. On the ground of long incarceration and in view of the seizure of his properties, the Learned Counsel for the petitioner prays for grant of bail.

7. Objection from the prosecution:-

In response to the bail petition, the respondent has filed a detailed counter, wherein it is stated that M/s.Hijau Associates Private Limited got registered with the Registrar of Companies, Chennai on 28/12/207. The company was promoted by A-3 to A-5. The present petitioner is a close associate of Alexander (A-3) and his father Soundarajan (A-4). While A-4 is the Chairman of the M/s Hijau Associates Private Limited, the third accused is the Managing Director of the said company. It is further submitted that, in furtherance of conspiracy hatched by the accused persons, huge money were collected from the 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 the Ministry of Corporate Affairs, 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 names of 22 proprietary Firms. This petitioner is one of the Director of M/s.Hijau Associates Private Limited and also the Proprietor of "M/s.MST Agro Traders" an entity created for the purpose of camouflaging receipt of deposits on behalf of the accused company.

8. According to the prosecution, this petitioner is a Director of M/s.Hijau Associate Private Limited and Proprietor of M/s.MST Agro Traders" had collected deposits around Rs.136 crores from about 32 depositors. The evidence collected so far reveals that in the account of M/s.MST Agro Traders, at IDFC Bank, Nungambakkam Branch, Rs.31.39 crores and in the account maintained at Karur Vysya Bank, Porur Branch, Rs.1.03 crores been collected by this accused. This petitioner as a Director of the first accused company and Proprietor of M/s.MST Agro Traders, had been one of the kingpins to cheat the gullible and innocent depositors. There are tangible evidence to prove that this petitioner had involved in collecting unregulated deposits and was part of the criminal conspiracy along with A-3 to A-5.

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

10. 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.

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

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

M/s.Hijau Associates Private Limited and M/s.Hijau Agro LLP are the two financial institutions promoted by Sounderajan, his son Alexander and his daughter-in-law Mahalakshmi, W/o Alexander. Claiming as owners of oil fields in Malaysia and holders of export orders from 6 countries, they had prepared promotional videos and through agents, had propagated that the depositors will be given interest at the rate of 15% per month and additional incentives 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/Presidents/Vice Presidents of the company. Both virtual and physical meetings at Star Hotels were conducted and public were made to invest their money by the impressive speeches of the accused persons.

13. 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 names 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 Application, were subsequently 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 unlawful act of collecting deposits without the 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 shareholders. They have also advertised that the private limited company is to become a public limited company under the name of M/s Hijau Fresh Limited and steps taken for the conversion.

14. The investigation further discloses that the money collected illegally been shared by the promoters/Directors of the A-1 and A-2 company as well as the proprietors of the 22 Firms, which were floated in the names 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, whereas others, who had no knowledge and *mens rea* to cheat are taken as witnesses.

15. In the bail petition, all the accused persons have invariably pleaded that they also lost money in the game conceived by A-3 to A-5 and therefore 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.

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

17. This petitioner and the other accused persons plead that they were cheated by A-4 and his son A-3. Whereas, A-4 had contented that the number of investors and the quantum of amount alleged to have been cheated are highly exaggerated. According to him, a sum of Rs.4414,44,22,350/- is the projected data available in the database. It is the return promised to the investors and it is not the actual money invested by the complainants. He also submits that the prosecution has not taken into account the money received by the investors as interest for the accused companies.

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-operate with the investigation.

19. It is also pertinent to note that, after siphoning the money, which runs to more than Rs.1620 crores, the 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 are still at large.

20. The records further reveal that the petitioner was 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.MST Agro Traders and through the bank accounts opened in the name of M/s MST Agro Traders had collected about Rs.32.42 crores.

21. The submissions made on behalf of the petitioner is contrary to the evidence collected during investigation and placed before the Court for trial. The accused persons 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 the 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, Economic Offence Wing,
   Ashok Nagar, Chennai – 600 083.
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.16610 of 2025

01.09.2025