BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT
(Criminal Jurisdiction)
Tuesday, the Twenty Third day of August Two Thousand Sixteen
PRESENT
The Hon`ble Ms.Justice V.M.VELUMANI

CRL OP(MD) Nos.8255,6886,6887 and 14789 of 2016

S.CHANDRASEKAR ... PETITIONER/ACCUSED NO.7 IN CRL OP(MD)No.8255 of 2016

S.KAMARAJ ... PETITIONER/ACCUSED NO.6 IN CRL OP(MD)No.6886 of 2016

SUYAMBU ... PETITIONER/ACCUSED NO.1 IN CRL OP(MD)No.6887 of 2016

C.SELVARAJ ... PETITIONER/2ND ACCUSED IN CRL OP(MD)No.14879 of 2016

Vs

THE STATE OF TAMILNADU
THE INSPECTOR OF POLICE
ECONOMIC OFFENCES WING - II POLICE STATION,
NAGERCOIL,
CRIME NO.1 OF 2016 ... RESPONDENT/COMPLAINANT IN CRL OP(MD)No.8255 of 2016

STATE REP.BY ITS
THE DEPUTY SUPERINTENDENT OF POLICE,
EOW, NAGERCOIL,
KANYAKUMARI DISTRICT.
CRIME NO.1 OF 2016 ... RESPONDENT/COMPLAINANT IN CRL OP(MD)Nos.6886,6887 of 2016

STATE REP.BY ITS
THE DEPUTY SUPERINTENDENT OF POLICE,
EOW - II, NAGERCOIL,
KANYAKUMARI DISTRICT.
CRIME NO.1 OF 2016 ... RESPONDENT/COMPLAINANT IN CRL OP(MD)No.14879 of 2016

For Petitioner : M/S.C.K.M.APPAJI Advocate IN CRL OP(MD)No.8255 of 2016
For Petitioner : M/S.R.C.PAULKANAGARAJ, Advocate IN CRL OP(MD)Nos.6886,6887 of 2016
For Petitioner : M/S.K.P.NARAYANAKUMAR, Advocate IN CRL OP(MD)No.14789 of 2016
For Respondent : MR.P.KANNITHEVAN, Govt. Advocate (Crl. Side) IN ALL CASES
For Intervenor : MR.R.PONKARTHIKEYAN, Advocate IN CRL OP(MD)Nos.6886,6887 of 2016

PETITION FOR ANTICIPATORY BAIL Under Sec. 438 Cr.P.C.

ORDER : The Court Made the following order :-

Crl.O.P.(MD)Nos.8255, 6886, 6887 and 14789 of 2016

Reserved on	Pronounced on
16.08.2016	23.08.2016

The petitioners/A7, A6, A1 and A2 apprehending arrest at the hands of the respondent police for the alleged offences punishable under Sections 406, 420, 120(b) and Section 5 of TNPID Act, in Crime No.1 of 2016, on the file of the respondent police, have filed these petitions seeking anticipatory bail.

2. The case of the prosecution is that the petitioners along with other accused persons were running benefit fund in the name and style of Rajakkamangalam Benefit Fund Ltd. They gave advertisement to give high returns for deposits. Believing the said representation, the *de-facto* complainant deposited a sum of Rs.2,00,000/- on three dates and bonds were issued to her. Subsequently, they did not repay the same. When the deposits got matured, the *de-facto* complainant went to the Company and found that the said Company was locked. The accused persons were evading repayment. Subsequently, the *de-facto* complainant came to know that the accused persons re-pledged the jewels with M/s.Kosamattam Finance Company Ltd., and purchased immovable properties from and out of the amount borrowed by pledging the jewels of the public and the amounts deposited by the public, in the name of their wives and family members. On complaint, a case has been registered for the offences stated above.

3. The case of the petitioners is that they were not actively participated in the affairs of the Company. They were Directors for some time and subsequently, they resigned the job. Further, they are innocent persons and they have not committed any offence as alleged by the prosecution. Rajakkamangalam Benefit Fund was established in the year 1996, registered under the Tamil Nadu Societies Registration Act and the *de-facto* complainant has alleged in the complaint that the company has not repaid Rs.7,00,000/- along with interest upon maturity of such deposit.

4. The learned counsel for the petitioners submitted that except the petitioners in Crl.O.P.(MD)Nos.8255 and 14789 of 2016, this Court, vide order, dated 29.04.2016, granted interim anticipatory bail on condition to deposit Rs.2,00,000/- each and to appear before the respondent police daily at 10.00 a.m., until further orders. The petitioners are complying with the said conditions.

5. The case of the petitioner in Crl.O.P.(MD)No.8255 of 2016 is that he himself was cheated by A3, who is none other than his father. His father/A3 pledged 100 sovereigns of gold jewels belonging to the petitioner's wife and thereby, cheated him and the petitioner is living separately and he is not actively involved in the Management of the Company.

6. The learned counsel appearing for the intervenor has submitted that the accused persons have established a finance institution in the name and style of Rajakkamangalam Benefit Fund Limited in the year 1996 and they have collected deposits from the *de-facto* complainant and several public, by advertising that attractive interest @ 18% would be given for the deposits and when the *de-facto* complainant approached the accused persons to disburse the matured amount, they dodged the payment and closed the institution and swindled away the money of the depositors and that the petitioners were actively participated in the day-to-day affairs of the financial institution and all the accused have in connivance, cheated the depositors and also indulged in the act of re-pledge of gold jewels pledged by the public in their institution and that all the accused persons have conspired together and created records, as if some of them were resigned from the company and some of them were not actively participated in the affairs of the company and those records were created only for the purpose of diluting the criminal complaint and to divert the depositors and that all the accused have purchased various movable and immovable properties in and around Tamil Nadu from and out of the amount deposited by the depositors. Hence, he prayed for the dismissal of the petitions.

7. The learned Government Advocate (Criminal side) appearing for the respondent filed counter affidavit and submitted that the petitioners and other accused persons made false promise of giving high returns for the deposit made in their Company. Believing the same, number of persons deposited huge amounts. The accused persons did not repay the amounts to the depositors on maturity. On receiving complaints, preliminary investigation was conducted and it was found that as on 20.06.2016, 56 complaints were received from various depositors for the default amount of Rs.86,64,000/- against the Company, petitioners and other accused persons. Further, as on 16.08.2016, 62 complaints have been received from the depositors for the default amount of Rs.95 lakhs. A publication has been given through Newspaper and several public have enquired the matter with the respondent police. More than several crores of rupees is expected to be involved in this case. The petitioners purchased various movable and immovable properties in *benami* names. The petitioners along with other accused persons actively participated in the day-to-day affairs of the Company and using their influence, received many deposits from the general public. It is seen that even after resigning as Director of the Company, they continued in the day-to-day affairs and actively participated in the day-to-day affairs of the Company. Investigation is going on. The petitioners are very influential persons and if anticipatory bail is granted, they will certainly tamper with the evidence and hamper the course of investigation.

8. I have carefully considered the rival submissions advanced by the learned counsel appearing for the parties.

9. From the materials available, it is seen that the petitioners by inducing several general public on false promise of huge returns for the deposits, received huge amounts from various

depositors and failed to return the same on maturity. Allegations have been made that the petitioners utilised the deposits so received and out of the amount received by re-pledging the jewels of the public with other Finance Company, they purchased movable and immovable properties in *benami* names. The contentions of the learned Government Advocate (Criminal side) that as on 16.08.2016, 62 complaints have been received from the depositors for the default amount of Rs.95 lakhs and many depositors made enquiries with the respondent police and the petitioners have cheated several crores of rupees from the depositors.

10. In view of the abovesaid facts, this Court is of the view that custodial interrogation of the petitioners is necessary for proper investigation. Hence, this Court is not inclined to grant anticipatory bail to the petitioners. Accordingly, the criminal original petitions are dismissed. In view of the dismissal of the criminal original petitions, the interim anticipatory bail granted by this Court, vide order dated 29.04.2016, in Crl.O.P.(MD)No.6887, 6876 and 6886 of 2016, stands cancelled.

sd/-
23/08/2016

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Sub-Assistant Registrar (C.S.)
Madurai Bench of Madras High Court,
Madurai - 625 023.

TO

1 THE INSPECTOR OF POLICE ,
ECONOMIC OFFENCES WING - II POLICE STATION, NAGERCOIL.

2 THE DEPUTY SUPERINTENDENT OF POLICE,
EOW, NAGERCOIL,KANYAKUMARI DISTRICT.

3 THE DEPUTY SUPERINTENDENT OF POLICE,
EOW - II, NAGERCOIL,KANYAKUMARI DISTRICT.

4 THE ADDITIONAL PUBLIC PROSECTUOR,
MADURAI BENCH OF MADRAS HIGH COURT, MADURAI.

+2. CC'S to M/S.R.C.PAULKANAGARAJ, Advocate SR.No.46562,46563
+1 CC TO M/S.R.PONKARTHIKEYAN, ADVOCATE IN SR.NO.46668
SMN2
CSL/SK-SKN/SAR-III/24.08.2016: 4P/8C

ORDER
IN
CRL OP(MD) Nos.8255,6886,6887
and 14789 of 2016
Date :23/08/2016