



IN THE HIGH COURT OF JUDICATURE AT MADRAS

(Criminal Jurisdiction)

Monday, the Twenty Seventh day of June Two Thousand Twenty Two

PRESENT

The Hon`ble Mr Justice G.K. ILANTHIRAIYAN

CRIMINAL ORIGINAL PETITION No.14248, 14388 & 14573 of 2022

1 MEGANATHAN [PETITIONER / ACCUSED
2 S.RAM KUMAR IN CRL.O.P.No.14248/2022]

M.MAGESH [PETITIONER IN CRL.O.P.No.14388/2022]

V.GANGAKRISHNAN [PETITIONER IN CRL.O.P.No.14573/2022]

Vs

STAET REP BY [RESPONDENT IN CRL.O.P.No.14248 & 14573/2022]
THE INSPECTOR OF POLICE,
CBCID POLICE STATION,
VELLORE DISTRICT.
(CRIME NO.1/2022)

THE INSPECTOR OF POLICE [RESPONDENT IN CRL.O.P.No.14388/2022]
CBCID NORTH VELLORE,
VELLORE DISTRICT.
CRIME NO.1 OF 2022.

For Petitioner : MR.R.JOHNSATHIYAN, Advocate for
M/S.DURAI KANNAN Advocate (CRL.O.P.No.14248/2022)

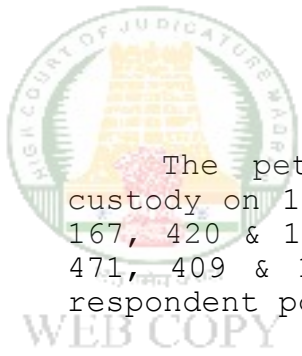
For Petitioner : M/S.S.PREMAKUMARI, Advocate (CRL.O.P.No.14388/2022)

For Petitioner : MR.V.RAGHAVACHARI, Advocate
M/S.ABHINAV PARATHASARATHY, (CRL.O.P.No.14573/2022)

For Respondent : MR.A.DAMODARAN, Additional Public Prosecutor
[IN ALL THE PETITIONS]

PETITION FOR BAIL 439 Cr.P.C.

ORDER : The Court Made the following order :-



The petitioners, who were arrested and remanded to judicial custody on 15.05.2022 for the offences punishable under Sections 166, 167, 420 & 120(B) altered into Sections 166, 167, 420, 465, 467, 468, 471, 409 & 120(B) of IPC in crime No.1 of 2022 on the file of the respondent police, seekbail.

2. The case of the prosecution is that during 01.10.2020 to 30.09.2021, the officers who worked in the TNSCS, Vellore & Tiruvannamalai Regional Office and the staff who worked in the direct paddy procurement centers, in collaboration with individuals, procured paddy at the direct paddy procurement centers without proper scrutiny. The defacto complainant i.e. Regional Manager, Tamilnadu Civil Supplies Corporation, Vellore Region had lodged a complaint against all TNCSC Vellore Regional Office Officers and Staff related to paddy procurement to take appropriate action against them, who had cheated the Government by not implementing the Government scheme properly for personal gain and misuse of the state scheme and causing loss to the state by not giving subsidy to the farmers. It is further alleged that the petitioners in Crl.OP.No.14248 of 2022 had acted as mediators and colluded with staff related to paddy procurement, Vellore Region and procured the paddy without following the guidelines of the Tamilnadu Consumer Goods Corporation.

3. As far as the petitioner in Crl.OP.No.14388 of 2022, along with the other staff of Tamilnadu Civil Supply Corporation, Vellore Region, had procured the paddy from the individuals without verifying the land documents. As far as the petitioner in Crl.OP.No.14573 of 2022, his bank account was used for money transaction.

4. The learned counsel for the petitioners in Crl.OP.No.14248 of 2022 would submit that on the representation of the farmers, the District Collector had ordered to procure paddy through TNSCS, Vellore and Tiruvannamalai Region. The entire allegation is only on the suspicion grounds that the petitioner had purchased the paddy at low price from farmers and sold the same at Government Paddy Procurement Centres and gained more profit with the help of paddy procurement officers. In fact, no farmers had lodged any complaint even till now. However, the paddies were procured from them at lower price. That apart, there was no loss to the Government and there is no allegation that the sub-standard paddies have been procured and supplied to the Government. He further submitted that the first petitioner is a merchant and he has contract with the farmers to cultivate the land. Therefore, they can very well supply the paddy directly to the Government and they are entitled for receiving incentive from the Government as per the guidelines and circular issued by the Government. He further submitted that the second petitioner is only an employee of the first petitioner and he has nothing to do with the crime as alleged by the prosecution. He further submitted that the petitioners were arrested and remanded to



judicial custody on 15.05.2022 and that arrests should be an exception in a case where the punishment is less than seven years of imprisonment. Therefore, he prayed for grant of bail to the petitioners.

5. The learned counsel for the petitioner in CrI.OP.No.14388 of 2022 would submit that the petitioner has been implicated as an accused only on the confession statement of other accused persons and there is absolutely no evidence to show that the petitioner received commission as alleged by the prosecution. He is the Superintendent of TNCSC, Vellore at the time of occurrence and at present, he is working at Pudukottai region. During his service, the petitioner purchased paddy from farmers directly in Vellore region after verifying proper bills. He further submitted that the petitioner was arrested and remanded to judicial custody on 24.05.2022. Even according to the case of the prosecution, as far as this petitioner, the petitioner received commission of Rs.29,68,705/- while purchasing paddy from the merchants. He is now suspended from service and also he is facing disciplinary proceedings initiated by the Department.

6. The learned counsel for the petitioner in CrI.OP.No.14573 of 2022 would submit that the petitioner is the collection agent and runs a 'rice mandy' in the name and style of 'Sri Subramaniam Traders' at Red Hills, Chennai. One of the other merchants, who is running a business in the name and style of 'Sivanandhan Rice Mill' approached the petitioner and requested to use the petitioner's bank account to make some business transactions, since the account of him had exceeded the prescribed limits of transaction. Therefore, being a friend of Meganathan, he permitted him to deposit amount into his account and to make other operations. Even according to the case of the prosecution, the said Meganathan received a sum of Rs.63 lakhs and from him, he received a sum of Rs.500/- per 1 lakh from the said Meganathan. Other than this allegation, the petitioner has nothing to do with the other allegation as against the other accused persons. He further submitted that the petitioner was arrested and remanded to judicial custody on 15.05.2022. Hence, he prayed for grant of bail to the petitioner.

7. The learned Additional Public Prosecutor filed counter and on perusal of the counter, revealed that the present case has been registered with regard to the malpractices and irregularities committed by the officials of Tamilnadu Civil Supplies Corporation (hereinafter called as TNCSC), Vellore Region in the procurement of paddy through direct purchase centres in Vellore and Ranipet Districts in collusion with private merchants by violating the procurement procedures and the guidelines issued by the TNCSC during the procurement period (Kariiff Marketing Season) 2020-2021 between 01.10.2020 to 30.09.2021. The Government of Tamilnadu provided facilities to the farmers of Thanjavur, Nagapattinam and other Districts of Tamilnadu for the purpose of purchasing paddy from the farmers so as to facilitate them in disposing of the paddy cropped by them. Simultaneously, the Government has instructed and also issued



guidelines in a manual on Paddy Procurement from the above districts directly from the farmers those who are having cultivating lands. Accordingly, the Government of Tamilnadu have fixed minimum support price for paddy at Rs.1,888/- per quintal for grade A variety and Rs.1,868/- per quintal for common variety of paddy. The Government of Tamilnadu by considering the welfare of the farmers and in order to avoid any distress in the sale of paddy by farmers, have decided to grant an incentive of Rs.70/- per quintal for Grade A variety and Rs.50/- per quintal for common variety of paddy. The petitioners in CrI.OP.No.14248 of 2022 are not having any agriculture land. However, they have colluded with the officials of TNCSC of Vellore Region and fabricated the forged land documents and certificates as if they cultivated paddy and had sold at various direct purchase centres to the tune of Rs.4 crores and received incentives as if they are cultivators. In fact, though the learned counsel for the petitioners in CrI.OP.No.14248 of 2022 would submit that the first petitioner is cultivating the land on the lease agreement, he failed to produce any document to show that they have leasehold rights over the land to cultivate paddy.

8. Though the second petitioner in CrI.OP.No.14248 of 2022 is an employee of the first accused, the first accused in the name of his entire family members and the second petitioner, sold paddy to the tune of Rs.4 crores and obtained higher rates to the paddy from the Government and also received incentives. They colluded with the officials of TNCSC and given huge sum of commission to them. In fact, they are having rice mill at Redhills in the name and style of 'Sivanandhan Rice Mill'. That apart, he also colluded with the petitioner in CrI.OP.No.14573 of 2022 and deposited a sum of Rs.63 lakhs in his account. The said amount was not at all assessed to the income tax and received huge amount of commission by him. That apart, after crediting the amount to their account, they gave a sum of Rs.150/- per bag containing 40 kg of rice as commission and shared the same along with other officers who were all responsible for paddy procurement. They sold paddy and obtained sum of Rs.1,76,35,240/- by committing such kind of fraud. Further, if the paddy would have been procured from small farmers, they would have been benefited the minimum support price fixed by the Central Government with the incentives offered by the State Government per quintal ranging from Rs.50/- to Rs.70/-. The paddy rate was different between direct purchase centers and open market ranging from Rs.700/- to Rs.850/-. In direct purchase centers, it is Rs.1958/- per quintal; whereas in open market, it is Rs.1,100/- only. Therefore, the petitioners gained more amount per quintal.

9. As far as the officials are concerned, they have colluded with these kinds of merchants and raised bills in the name of merchants without receiving any paddy and obtained bill amount from these petitioners with the commission of Rs.3,000/- per one lakh. Therefore, those merchants assisted to the officials for swindling



several crores of Government money and wrongfully gained by them. As far as the petitioner in Crl.OP.No.14388 of 2022, he was a procurement officer in the cadre of Superintendent in procurement of paddy through direct purchase centers at TNCSC, Vellore Regional Office, Vellore during the period 01.10.2020 to 30.09.2021. He was in charge of 19 direct purchase centers manned by the temporary bill clerks, helpers and they are under direct control of him. The petitioner after generating bills in the name of merchants and informed them to send their paddy against the bill generated in their name. Thereafter, the merchants transported the said quantity of paddy directly to the storage godowns without entering direct purchase centers as directed by him. He also prepared relevant records with forged land documents and send it to the Regional Office for disbursement of cash. After crediting the said amount to the merchants, he received a sum of Rs.150/- per bag containing 40 kg paddy. He also indulged in malpractices in collusion with the other officials of TNCSC and merchants while procuring the paddy to the tune of Rs.45,36,18,124/- through 19 direct purchase centers, in which he received commission of Rs.29,68,705/- Therefore, all the accused persons have committed very serious offence as against the society and they are not eligible for bail.

10. In this regard, the learned Additional Public Prosecutor also relied upon the judgment in the case of **Nimmagadda Prasad Vs. Central Bureau of Investigation** rendered in Crl.A.No.728 of 2013 dated 09.05.2013, wherein the Hon'ble Supreme Court of India held that while granting bail, the court has to keep in mind the nature of accusations, the nature of evidence in support thereof, severity of the punishment which conviction will entail, the character of the accused, circumstances which are peculiar to the accused, reasonable possibility of securing the presence of the accused at the trial, reasonable apprehension of the witnesses being tampered with, the larger interests of the public/State and other similar considerations. Further held that the economic offences constitute a class apart and need to be visited with a different approach in the matter of bail. The economic offence having deep rooted conspiracies and involving huge loss of public funds needs to be viewed seriously and considered as grave offences affecting the economy of the country as a whole and thereby posing serious threat to the financial health of the country. Though arrested accused are incarcerating some period of time, considering the serious offence committed by them and also the reason there are poor farmers affected by the petitioners, therefore this Court is not inclined to grant bail to the petitioners.



11. Accordingly, all the criminal original petitions are dismissed.

-sd/-
27/06/2022

WEB COPY

This order, on being produced, be punctually observed and carried into execution by all concerned

TRUE COPY

Sub-Assistant Registrar (Statistics/C.S.)
High Court, Madras - 600 104.

TO

1 THE INSPECTOR OF POLICE,
CBCID POLICE STATION,
VELLORE DISTRICT.

2 THE INSPECTOR OF POLICE
CBCID NORTH VELLORE,
VELLORE DISTRICT.

3 THE PUBLIC PROSECUTOR
HIGH COURT, MADRAS.

4 THE SUPERINTENDENT,
CENTRAL PRISON, VELLORE DISTRICT.

+1 CC to M/S.DURAI KANNAN Advocate on payment of necessary charges SR.NO.10187

+1 CC to M/S.ABHINAV PARATHASARATHY, Advocate on payment of necessary charges SR.NO.10127

CRL OP.14248, 14388 & 14573/2022

Date :27/06/2022

TA-04/07/2022