Crl.O.P.No.24698 of 2022

A.D.JAGADISH CHANDIRA, J.

The petitioner, who was arrested and remanded to judicial custody on 12.08.2022, for the offences punishable under Sections 420 and 120(B) of IPC and Sections 3, 5,21(1), 21(2), 21(3), 23, 25 of the Banning of Unregulated Deposit Schemes Act, 2019 (BUDS Act) and Section 5 of the Tamil Nadu Protection of Interests of Depositors (In Financial Establishments) Act, 1997 (TNPID Act), in Crime No.16 of 2022, on the file of the respondent police, seeks bail.

2. The case of the prosecution is that the petitioner along with the other accused floated companies in the name of IFS (International Financial Services) and LNS International Financial Services Limited and by inducing depositors more than forty thousand, had cheated them to the tune of Rupees Nine Thousand Crores approximately. Hence, the complaint.

3. Mr.A.Ramesh, the learned Senior counsel appearing for the petitioner would submit that the petitioner has acted as a sub agent of the company and the only allegation as against him is that he has collected money from several persons. He would also submit that the petitioner is in custody for the past more than 64 days and an amount of Rs.70 Crores of property excluding the dresses owned by the petitioner has been seized by the respondent police. He would further submit that the entire case of the prosecution is borne out of documents and that the petitioner has got permanent residence and he is prepared to furnish adequate security for his release. Therefore, he prays for grant of bail to the petitioner.

4. The respondent has filed a detailed counter in this case. The relevant portions of the counter is extracted hereunder:-

> "...
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> *7. It is submitted that, based on investigation conducted so far and on scrutinizing the seized Dell Laptop of accused Saravana Kumar,*

33,809 (Thirty Three Thousand Eight Hundred Nine) investors had deposited to a total of Rupees 13,45,39,47,407/- (Rupees Thousand three Hundred Forty Five Crores Thirty Nine Lakhs Forty Seven Thousand and Four Hundred Seven only) with him and the entire database is available in that Dell Laptop. Accused Saravana Kumar had acted as agent and he had created several sub-agents for collection of deposits and other transactions. Sofar, 32 complaints were received to a value of Rupees 30,00,00,000/- (Rupees Thirty Crores only) who had directly deposited to accused Saravana Kumar for investment in International Financial Services (LNS IFS), one Thiru.K.Manigandan, S/o.Kesavan, No.6/29, Pillayar Kovil Street, Iyyappanthangal, Chennai – 56, had given a written complaint along with original documents issued by the accused Saravana Kumar. In that complaint Manigandan had stated that, he had deposited Rupees 84 Lakhs directly to accused Saravana Kumar and Mohan Babu, further based on the inducement of accused Saravana Kumar, Manigandan's relatives and friends had directly deposited to accused Saravana Kumar *and Mohan Babu in LNS International Financial Services (LNS IFS) to a total of 829 depositors to value of Rupees 29,31,80,000/- (Rupees Twenty Nine Crores Thirty One Lakhs and Eighty Thousand only). Out of above said depositors, a total of 494 depositors to value of Rupees 11,50,30,000/- (Rupees Eleven Crores Fifty Lakhs and Thirty Thousand only) had deposited directly to accused Saravana Kumar. As of now Manigandan and 23 depositors known to him had given written complaint to value of Rupees 73,00,000/- (Rupees Seventy Three lakhs only) and further, Manigandan had informed to his other friends and relatives who were depositors, to prefer complaint before Economic Offences Wing, Chennai and as such complaints are still being received against accused Saravana Kumar, LNS IFS. Manigandan has provided soft copy of database of the above said details to substantiate his statement.*

Detail	***Depositors***	***Deposit Amount***
As per confession	40,000	1400 crores
As per the date in accused Saravana Kumar Laptop	33809	13,45,39,47,407/-
Complaints received so far	32	30 crores

Detail	***Depositors***	***Deposit Amount***
Complaints in which Saravana Kumar issued Bond in his name	24	73,00,000/-

8. Further, there is credible information that, on behalf of the accused, the depositors are being canvassed that the absconding accused would return back in two or three months and would settle the deposited amount. Thus, the depositors are being prevented from preferring complaints with Economic Offences Wing and thereby, the accused and their supporters are projecting an image that very few complaints are being received against them and thereby, trying to escape the clutches of law. Further, the depositors are canvassed that, if they give complaint, their deposits will not be returned by the prime accused. Whenever, the depositors approach the Economic Offences Wing for filing of complaint, they are advised to intimate other depositors known to them to approach Economic Offences Wing for filing individual complaint. Depositors are advised that, they must not believe the fancy gossips of *immediate settlement of money by the accused and should only follow the procedures laid down in the law.*

...”

5. The learned Government Advocate (Crl. Side) appearing for the respondent would submit that the petitioner is arrayed as A6 in this case. He would also submit that the petitioner is one of the kingpins in the crime and that the petitioner was the main agent and he has employed sub agents under him and in total, the accused have collected a sum of Rs.13,45,39,47,407/- from various depositors. He would also state that the petitioner was the main person, who has paved way for the other accused to escape from the clutches of law. He would further state that the petitioner is the person, who has also prevented the registration of the case on the undertaking that the depositors would be settled. Therefore, he vehemently opposed for grant of bail to the petitioner.

6. Heard both the learned Counsel and perused the materials available on record.

7. Taking into consideration the facts and circumstances of the case, the submission made by the learned counsel and that it is a case of Economic offence of huge magnitude running to thousands of Crores of rupees and the petitioner is stated to be a key person involved in the case and that the investigation is at the nascent stage, this Court is not inclined to grant bail to the petitioner.

8. Accordingly, this Criminal Original Petition stands dismissed.

17.10.2022

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A.D.JAGADISH CHANDIRA, J.

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