IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved On	20.09.2023
Pronounced On	26.09.2023

CORAM

THE HON'BLE MR. JUSTICE **G.CHANDRASEKHARAN**

Crl.O.P.No.20614 of 2023

R.Malathi ...Petitioner

Vs.

The State
Rep. by Addl. Superintendent of Police,
Economic Offences Wing – II, CID,
Ashok Nagar, Chennai – 600 083.
(Crime No.07/2022) ...Respondent

PRAYER : Criminal Original Petition is filed under Section 439 of Cr.P.C. praying to enlarge the petitioner on interim bail for a period of 4 weeks in Crime No.07 of 2022 on the file of the Respondent.

For Petitioner : Mr.G.A.Thiyagarajan

For Respondent : Mr.S.Rajakumar
Additional Public Prosecutor

ORDER

The petitioner, who was arrested and remanded to judicial custody on 25.05.2023 for the offences punishable under Sections 409, 420 read with Sections 34, 109 and 120 [B] of IPC read with Sections 3, 5, 21[1], 21[2], 21[3], 23 and 25 of BUDS Act of 2019 and Sections 58[B] of RBI Act of 1934 and Section 5 of TNPID Act of 1994 in Crime No.07 of 2022 on the file of the respondent police, seeks interim bail for a period of four weeks.

2. The case of the prosecution from the allegations made in the First Information Report in Crime No.07 of 2022 registered for the offences under Sections 409, 420 read with Sections 34, 109 and 120 [B] of IPC read with Sections 3, 5, 21[1], 21[2], 21[3], 23 and 25 of BUDS Act of 2019 and Sections 58[B] of RBI Act of 1934 and Section 5 of TNPID Act of 1994, is as follows.

3. The *de-facto* complainant is the Deputy Superintendent of Police, Economic Offences Wing, Chennai. He had taken up a petition against M/s. Aarudhra Gold Trading Private limited alleging that the said company has collected deposits from the public with false promise of paying exorbitant interest at the rate ranging from 10% to 30% per month. This company has eight directors and 13 branches in Tamil Nadu. This company was registered with Registrar of Companies (ROC) vide CINU51909TN2021PTC140839 with 8 eight Directors Viz.,

1) Rajasekar, 2) Baskar, 3) Mohanbabu, 4)Senthilkumar, 5)Pattabiram, 6)Michael, 7)Nesha and 8) Harish. This Company has five sister concerns Viz., 1) Aarudhra Garments Pvt. Ltd., 2) Aarudhra Jewellery Pvt. Ltd., 3) Aarudhra Housing & Properties Pvt. Ltd., 4) Aarudhra Super Market Pvt. Ltd., and 5) Aarudhra Restaurants Pvt. Ltd.

4. During the enquiry earlier held by DSP Tr.S.Kanagesan, Vellore EOW, on the aforesaid allegations preliminary enquiry was conducted. The Managing Director failed to produce the details of the deposited money, the details of revenue generation by the Company to give exorbitant interest to the depositors and the licence, if any, to collect deposits from the public from the regulatory authorities including Reserve Bank of India. From the report of DSP Tr.Pugalenthi Ganesan, Arakkonam, Ranipet District, the Directors of the company as on 02.05.2022 received deposits from the public to the tune of Rs.1,137 Crores through 13 bank accounts. The scale and enormity of the number of the depositors and the money taken as deposits will be much more. The Company and its Directors and sister companies, with the help of others, criminally conspired to collect deposits from the public by giving

false promise of high interest through Multi Level Marketing Scheme. In the said circumstances, FIR came to be registered.

5. The learned counsel for the petitioner submitted that petitioner is an ordinary employee of the A1 Company. She is neither a Director nor a person in charge of day to day administration of the Company. Her personal jewels, silver articles, cash and certain other articles had been seized by the respondent police. Petitioner's name is not shown in the FIR. She is implicated as an accused on the basis of the confessional statement of the co-accused. She is in judicial custody for more than 120 days. Petitioner has three young children. Her 3rd child namely R.Shakthivel is aged 5 years. He is suffering from a medical condition called 'febrile seizures'. If this seizure is not attended, it will lead danger to the life of the child. In the absence of the petitioner, there is no one to take care of her children except her husband. In said circumstances, this petition is filed seeking interim bail.

6. In support of his submissions, he produced medical records to show the medical condition of the child.

7(i). In response, the learned Additional Public Prosecutor submitted that this case involves a huge scam by the six companies, its Directors, Staff and certain other individual. Though only 14 persons, including the Companies are named in the FIR, First Information Report is specific about involvement of few other persons. On the promise of giving high returns in the form of interest, deposits worth Rs.2,438 Crores were collected from 1,09,255 depositors. However, neither the interest nor the principal was paid to the depositors, apart from the initial payments.

7(ii). Petitioner is one of the main accused in this case. She is the branch head of Aminjikarai Branch. As the branch head of Aminjikarai Branch, she received more than Rs.10 Crores as deposits. It is seen from the statement of A17, one of the Board of Directors that, petitioner was paid Rs.3.75 Crores as commission for collecting huge deposits. One witness namely Syed Mustaq Ahamad gave a statement stating that he was inducted as a commission agent for canvassing deposits by the petitioner. He handed over the deposit amounts to the petitioner and the petitioner issued deposit receipts to the depositors. After registration of the case, depositors wanted the amount to be returned, else they threatened to give a police complaint. When informed this fact to the petitioner, petitioner came forward to return the amount payable to the depositors. Accordingly, in May 2022, she paid Rs.1.5 Crores to him.

8. Thus, learned Additional Public Prosecutor submitted that it is not as though the petitioner is a mere employee, but she is an important accused held an important position as Branch Manager and collected huge sums of deposits but failed to repay the amount. He further submitted that the Doctor who issued the certificate with regard to the medical condition of the petitioner's son R.Shakthivel has also given a certificate that there is no need of emergency attention, till he is under medical care. The child should continue with anti-epileptic tablets up to the age of 10 years.

9. From the consideration of the FIR allegations, submissions of the learned counsel appearing for the parties, it is seen that it is a case involving multi crore scam of collecting deposit amounts from innocent and gullible depositors, who deposited their hard earned money on the promise of interest at the rate of 10% to 30%. Though the cases of similar nature are being reported every now and then, still many persons

fall prey to these attractive advertisements promising high returns for their investments. It is now evident that petitioner is not just an employee. She is the Manager of Aminjikarai Branch of A1 Company and had collected more than Rs.10 Crores as deposits. She had also received Rs.3.75 Crores as commission and offered to return the depositors with Rs.1.5 Crore. It is also clear from the medical certificate issued by the Doctor that her son's medical condition is not that serious. Therefore, her presence is not absolutely necessary. Her husband can take care of her children. The investigation in this Case is not completed.

10. Taking note of all these factors, this Court is not inclined to grant interim bail to the petitioner. Hence, this Criminal Original petition is dismissed.

26.09.2023

mpl

<u>G.CHANDRASEKHARAN, J.</u>

mpl

To

1.The Addl. Superintendent of Police,
Economic Offences Wing – II, CID,
Ashok Nagar, Chennai – 600 083.

2.The Public Prosecutor,
High Court of Madras.

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