



WEB COPY



CRL O.P. No.29566 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 10.12.2024

CORAM

The Hon'ble Mr.Justice P.DHANABAL

CRL OP.No.29566 of 2024

K. Jagannathan S/o. A.S. Kannan ... Petitioner / Accused-13
Vs

State rep. by:-

The Deputy Superintendent of Police,
Economic Offences Wing-II,
Ashok Nagar, Chennai-600 083. ... Respondent
[Cr. No.16 of 2022]

PRAYER:- The Criminal Original Petition is filed under Section 483 of B.N.S.S., praying to grant bail to the petitioner/Accused in Cr. No.16 of 2022 on the file of the respondent police.

For Petitioner : Mr. M. Senthamizh Selvan

For Respondent : Mr. Raj Thilak,
Additional Public Prosecutor.

ORDER

The petitioner / Accused-13, who was arrested and remanded to judicial custody on 14.08.2022 for the offences punishable under



CRL O.P. No.29566 of 2024

Sections 420, 409, 120 of IPC, Section 5 of TNPID Act and Section 3, 5, 21(1), 21(2), 21(3), 23 and 25 of BUDS Act in Cr. No.16 of 2022 on the file of the respondent police, seeks bail.

2. The case of the prosecution is that a complaint was received about a firm called International Financial Services at Vellore and another firm LNS, International Financial Services at Chennai with allegation that the companies had collected deposits promising high rate of interest and that the defacto complainant had invested an amount of Rs.6.30 crores. During the course of investigation, searches were conducted at 31 places and Rs.1,12,19,880/- cash and 623.25 gms of gold to the value of Rs.29,23,665/- and 72 property documents to the value of Rs.12,23,67,438/- and 7 cars of the accused to the value of Rs.2.5 crores have been seized. The accused had also collected substantial amounts of money from various depositors. Hence the case.

3. The learned counsel for the petitioner would contend that the respondent police have registered a false case against the petitioner for



CRL O.P. No.29566 of 2024

the offences punishable under Sections 420, 409, 120 of IPC, Section 5 of TNPID Act and Section 3, 5, 21(1), 21(2), 21(3), 23 and 25 of BUDS Act alleging that the International Financial Services at Vellore and LNS, International Financial Services at Chennai had collected deposits promising high rate of interest and the defacto complainant has invested an amount of Rs.6.3 crores, but they have not repaid the said amount. During the investigation, a search was conducted at 31 places and recovered cash and gold and the property documents and 7 cars for a total value of Rs.2.5 crores. Thereafter, they filed an alteration report and this petitioner was arrested on 13.08.2022 and remanded to judicial custody on 14.08.2022. In fact, the petitioner has not committed any offences and he was implicated as an accused, based on the confession statement given by the co-accused and he is not a named accused in the FIR. The petitioner was working in Valeo India Pvt. Ltd., at Sriperumpudhur, Kanchipuram from 2012 to 2019. He had acquaintance and become friend of co-worker namely Mohanbabu and he introduced his brother Lakshmi Narayanan and also invested money through Mohan Babu during the month of June 2015 and the same was transferred to A8



CRL O.P. No.29566 of 2024

Lakshminarayanan Sundaram. In the year 2016, the petitioner directly transferred that amount to Lakshminarayanan Sundaram and this petitioner received funds from the investors and he administered the Lakshminarayanan Sundaram's Kanchipuram Branch from 2019 to July 2022 as per his instructions. Therefore, he has no nexus with the above said crime and he is in judicial custody from 13.12.2024. Therefore prayed to grant bail to the petitioner.

4. The learned Additional Public Prosecutor would submit that the defacto complainant Mr. Kumar has lodged a complaint dated 04.08.2022 alleging that during 2020, he became acquainted with one Saravana Kumar of Kanchipuram, who introduced his friends Mohanbabu, Lakshminarayanan, Veda Narayanan and Janarthanan by stating that they are partners of his business in the name of M/s. International Financial Services and promised the public that the deposits in their firm shall be getting high returns about 6% to 10% of their investment amount, which shall be credited to their respective bank accounts. Believing the words, the defacto complainant initially



CRL O.P. No.29566 of 2024

deposited Rs.5 lakhs and thereafter collected money from his friends and relatives and invested a sum of Rs.6,35,00,000/-. After May 2022, no any interest was paid. While he contacted Saravana Kumar, no response from him. Later a complaint was lodged on 04.08.2022 and FIR has been registered against the main accused. Thereafter, during the course of investigation, it revealed that the petitioner worked Valeo India Pvt. Ltd., Sriperumpudhur, Kanchipuram from 2012 to 2019 and he instigated to invest money in the 1 and 2 accused company and received commission. The petitioner has collected Rs.5244.86 crores from the depositors and he hold more than 22 bank accounts collected unregulated deposits. He transacted for more than Rs.9,151.48 crores as credit and Rs.9153.25 crores as debit amount. So far 1906 complaints were received against the petitioner to the value of Rs.319 crores. This petitioner has actively participated in the day to day affairs of M/s. International Financial Services Ltd.,. The respondent police have issued summons on the petitioner, but he did not appear. The petitioner already preferred a SLP (Criminal) No.5816 of 2024 seeking bail before the Hon'ble Supreme Court and the same was dismissed on 15.05.2024. The



CRL O.P. No.29566 of 2024

offences are grave in nature and the amount involved in this case is huge.

WEB COPY

Hence, he strongly opposed to grant bail to the petitioner.

5. Heard both sides and perused the materials available on record.

6. Considering the rival submissions made on either side, considering the gravity of offences, according to the prosecution, this petitioner was actively participated in the day to day affairs of the company and huge amount is involved in this case and already this Court dismissed the earlier bail application and there is no change in circumstances, this Court declined to grant bail to the petitioner at this stage.

7. Accordingly, the Criminal Original Petition is dismissed.

10.12.2024

index: Yes/No

Internet: Yes/No

Speaking/Non Speaking order

mjs



CRL O.P. No.29566 of 2024

WEB COPY

To

- 1.The Special Court under TNPID Act, Chennai.
- 2.The Public Prosecutor, Madras High Court, Chennai.
3. The Deputy Superintendent of Police, Economic Offences Wing-II, Ashok Nagar, Chennai-600 083.
4. The Superintendent of Police, Central Prison-I, Puzhal, Chennai.

P.DHANABAL,J
mjs



WEB COPY



CRL O.P. No.29566 of 2024

CRL O.P. No.29566 of 2024

10.12.2024