IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 23.07.2025
PRONOUNCED ON : 20.08.2025

CORAM

THE HONOURABLE MR.JUSTICE M.NIRMAL KUMAR

Crl.O.P.Nos.12688 & 17168 of 2025 and
Crl.M.P.Nos.14043 & 14044 of 2025

Crl.O.P.No.12688 of 2025:

K.Jaganathan ... Petitioner/A13

Vs.

The State represented by,
Deputy Superintendent of Police,
Economic Offences Wing-II,
Ashok Nagar, Chennai.
(Crime No.16/2022). ... Respondent

PRAYER: Criminal Original Petition is filed under Section 483 of BNSS, to enlarge the petitioner on bail in C.C.No.7 of 2022 on the file of the respondent Police.

For Petitioner	:	Mr.R.Vivekananthan
For Respondent	:	Mr.R.Muniyapparaj, Additional Public Prosecutor assisted by Mr.M.Sylvester John
For Intervenor	:	Mr.Senthamizh Selvan

Crl.O.P.No.17168 of 2025:

Janarthanan ... Petitioner/A10

Vs.

The State, represented
Deputy Superintendent of Police,
Economic Offence Wing Hqrs,
Ashok Nagar, Chennai.
(Crime No.16/2022). ... Respondent

PRAYER: Criminal Original Petition is filed under Section 483 of BNSS, to enlarge the petitioner on bail in C.C.No.7 of 2022.

For Petitioner	:	Mr.Nithyaesh Natraj for Mr.Anirudh A Sriram
For Respondent	:	Mr.R.Muniyapparaj, Additional Public Prosecutor assisted by Mr.M.Sylvester John
For Intervenor	:	Mr.Senthamizh Selvan

COMMON ORDER

The petitioners arrested and remanded to judicial custody in C.C.No.7 of 2022 for offence under Sections 409, 420, 120(B) of IPC, Section 5 of Tamil Nadu Protection of Interests of Depositors (In Financial Establishments) Act, 1997 and Sections 3, 5, 21(1), 21(2), 21(3), 23 & 25 of Banning of Unregulated Deposit Scheme Act, 2019 on the file of the Special Court under TNPID Act, Chennai, seek bail.

2.For the sake of convenience and clarity, the petitioners are referred to as accused, as per their rank, in the complaint.

3.The learned counsel appearing for A10 submitted that A10 arrested on 29.01.2024 at Kolkatta Airport based on the Non Bailable Warrant issued by the trial Court and through the transit warrant, he was produced before the trial Court and remanded on 30.01.2025. He further submitted that in this case, investigation completed, final report filed on 29.12.2022. It is submitted that A10 falsely arrayed as accused in the above case as if he defrauded public money in connivance with other accused. In fact A10 borrowed money only from known persons for interest and he executed bond along with security cheques and paid 2% interest to the borrowed persons through bank. Referring to the cheque, the learned counsel submitted that cheque was given in his individual capacity, not drawn in the name of any Company or Firm. Likewise referring to the bond, it is clear that it is executed in his individual capacity. In the bond, the loan amount, interest, security cheque and details of payments all recorded. This being so, terming it a deposit received from the public under a scheme is not sustainable. He further submitted that A10 neither connected with the offences nor played any vital role with the co-accused in this case. Further, the petitioner was neither summoned nor arrested after registration of FIR on 04.08.2022 in Crime No.16 of 2022. In this case, A10 due to life threat from co-accused namely Lakshminarayanan had to flee to Dubai leaving behind his family and he was working there, thereafter A10 for his survival and being the sole breadwinner for his family, moved to UK and secured a job as Chief Engineer in SM IIT Limited by getting visa under skilled worker quota. In this case, NBW issued by the trial Court on 01.02.2023, A10 arrested on 29.01.2025 and remanded on 30.01.2025. After the arrest, the respondent neither conducted any sustained investigation with A10 nor filed any supplementary charge sheet. A10 is unnecessarily languishing in prison for more than five months in judicial custody. In this case, A10 voluntarily applied for visa cancellation from UK Government in the month of November 2024 which was considered in the month of January 2025, thereafter, A10 returned to India confirms the intention of A10, not to evade justice but to appear before the respondent and to give his explanation.

4.The learned counsel further submitted that during investigation, the respondent seized bank accounts, vehicles and properties of A10 and he is solvent and capable of returning the borrowed money and discharge his liability. The trial Court without serving any summons to A10 and without following procedure, straight away issued NBW on 01.02.2023. But it is projected summons earlier issued on 29.12.2022 and 01.02.2023 could not be served to A10 since he escaped to Sharjah and Dubai, is not proper. No steps taken by the respondent to serve summons to the last known address of A10. He further submitted that A10 remanded under Section 309 Cr.P.C, that being so, the respondent took A10 in Police custody, is without sanction of law. The NBW issued by the trial Court is only to secure A10. In the present case, till date even charges not framed, the case is at the nascent stage, some of the accused said to be absconded, for which, A10 cannot be detained endlessly in prison.

5.He further submitted that earlier A10 filed a bail application before this Court which was dismissed on 15.05.2025 without proper reason. In this case, undisputed fact is that investigation completed, charge sheet filed before the trial Court. Even considering that further investigation is in progress, during confinement of A10, he was not at all interrogated seeking further information or questioned with any specific allegations against him. On a demerur, the learned counsel submitted that even if A10 has a *prima facie* case for grave offence, the bail cannot be refused and punishing the accused before he is convicted of any charges. Since father, brother and a relative of A10 are co-accused, that does not automatically lead to inference A10 participated in the crime. The prolonged incarceration of A10 pending trial would amount to an unjust deprivation of personal liberty. In this case, A10 is not a Director in A1 Company, hence, for any default committed by A1, A10 cannot be held liable and there is no vicarious liability in criminal law. The Hon'ble Apex Court in ***Arvind Kejriwal v. Central Bureau of Investigation*** reported in ***2024 SCC OnLine SC 2550*** had held that continued incarceration for an extended period pending trial would infringe upon established legal principles and right of accused to liberty traceable to Article 21 of Constitution of India. The Hon'ble Apex Court in ***Vijay Nair v. Enforcement Directorate*** reported in ***2024 SCC OnLine SC 3597*** had held that liberty guaranteed under Article 21 of Constitution does not get abrogated even for special statues and the cardinal principle of bail being the rule and jail being the exception will be entirely defeated if the accused is kept in custody as under-trial for such a long duration.

6.Further, the learned counsel filed a memo listing out properties in his name and in the name of Asha, Viknesh, Srisha, Malarvizhi (Asha's mother), who acted as agents of Companies and Firms. The total value of properties belonging to A10 listed in the memo in Serial Nos.1 to 5 is valued around Rs.21 Crores and other properties in name of Asha and her family members is worth more than Rs.50 Crores. All the properties are in the knowledge of the respondent, hence, the custodial interrogation of A10 is not required. Now, A10 is ready and willing to cooperate and participate in the investigation and as well as in trial. A10 undertakes to deposit his passport before the trial Court and shall abide by any stringent condition of this Court. Hence, bail to be granted to A10.

7.The learned counsel appearing for A13 submitted that A13 arrested on 18.03.2024 on the allegation that A13 collected deposit from general public promising high rate of interest and he said to have started M/s.GOODHAMS Management Consulting LLP/A3, received deposit amount, purchased several movable and immovable properties, further A13 without registering A3 LLP with Registrar of Companies issued a certificate in the name of limited liable partnership. The allegation against A13 is that he induced investors to invest in M/s.LNS International Financial Services Limited by promising huge returns. After his arrest, during investigation, search conducted at 31 places and Rs.1,12,19,880/- cash and 623.25 grams of gold to the value of Rs.29,23,665/- and 72 property documents to the value of Rs.12,23,67,438/- and seven cars to the value of Rs.2.5 Crores all seized by the respondent. He further submitted that initially, A13 granted bail by the trial Court in Crl.M.P.No.4834 of 2022 on 13.12.2022 with certain conditions, thereafter, A13 filed a modification petition in Crl.M.P.No.5223 of 2022 before the trial Court and the trial Court by order dated 14.12.2022 directed A13 to appear before EOW at Thiruvarur daily at 10.30 am until further order. A13 filed a relaxation petition in Crl.M.P.No.9 of 2023 and the trial Court by order dated 11.01.2023 directed to report before the EOW, Thiruvarur daily every Monday morning at 10.30 am from

23.01.2023 which A13 complied without any default. Considering A13 diligently complying the conditions without any default, the trial Court relaxed the condition imposed to A13 on 22.02.2023 in Crl.M.P.No.709 of 2023 in toto.

8.He further submitted that the respondent filed a petition for cancellation of bail before this Court in Crl.O.P.No.9022 of 2023 on the allegation that on 10.04.2023, when A13 was called for interrogation, though he appeared, but not co-operated during investigation; further alleged that A13 intimidated and threatened the witnesses with false promise of returning the amount deposited by them and not to lodge any complaints. Further it was alleged that the petitioner not available when the respondent attempted to serve summons in the address given, calling him to participate in investigation. To seek explanation after unearthing huge properties in his name and his family members and it was also alleged that sureties also not available in the given address. This Court by order dated 14.03.2024 allowed the petition for cancellation of bail cancelling the bail granted by the trial Court to A13. After cancellation of bail, A13 surrendered before the trial Court on 18.03.2024. Thereafter, A13 approached the Hon'ble Apex Court challenging the order of cancellation of bail in Special Leave to Appeal (Crl.) No.2816/2024 which was dismissed on 15.05.2024. Thereafter, the petitioner filed bail application before the trial Court in Crl.M.P.No.93 of 2025 and the trial Court by order dated 09.04.2025, primarily referring to cancellation of bail order and recording more complaints received against A1 Company and further investigation is in progress, dismissed the bail, failing to consider that A13 after cancellation of bail voluntarily surrendered and he is in prolonged incarceration, which amounts to pre-trial conviction.

9.Further, the learned counsel referred to statement of witnesses namely Vinoth, Porselvan, Masilamani and Anand recorded between 14.04.2023 and 16.06.2023 wherein it is stated that A13 as an Agent for investment company, represented that Lakshminarayanan, who is absconding, will return soon and money will be returned to the depositors and they were pressurized not to lodge any complaint. These are the statements which had been recorded during further investigation. In this case, admittedly, final report filed arraying 25 persons as accused in which A1 to A6 are Companies and Firms and K.Jaganathan is A13. Since investigation against A13 concluded and final report filed, there is no necessity for A13 to meet the witnesses and to force and threaten them not to lodge any complaint. It is to justify cancellation of bail, such statements recorded. Unfortunately, these aspects was not considered in detail by this Court in Crl.O.P.No.9022 of 2023. The Hon'ble Apex Court dismissed Special Leave to Appeal (Crl.) No.2816/2024 at the stage of admission, in such circumstances, it cannot be said that SLP is dismissed on merits. The Hon'ble Apex Court in ***Vijay Nair v. Enforcement Directorate*** reported in ***2024 SCC OnLine SC 3597*** had held that liberty guaranteed under Article 21 of Constitution does not get abrogated even for special statues and the cardinal principle of bail being the rule and jail being the exception will be entirely defeated if the accused is kept in custody as under-trial for such a long duration. In view of the above, bail may be granted to A13.

10.The Additional Public Prosecutor appearing for the respondent filed counter in Crl.O.P.No.17168 of 2025 and submitted that the case in

Crime No.16 of 2022 for offence under Sections 420 & 120(B) IPC, Section 5 of Tamil Nadu Protection of Interests of Depositors (In Financial Establishments) Act, 1997 and Sections 3, 5, 21(1), 21(2), 21(3), 23 & 25 of Banning of Unregulated Deposit Scheme Act, 2019 registered on the complaint dated 04.08.2022 of A.Kumar/defacto complainant stating that he got acquainted with accused Saravana Kumar of Kanchipuram who is running businesses in the name of Minmini Printers and Minmini Promoters. Accused Saravana Kumar informed the defacto complainant Kumar about his friend Mohanbabu and his Brothers Lakshmi Narayanan, Veda Narayanan and Janarthanan who are running a Firm in the name of IFS (International Financial Services) at Sathuvachari, Vellore and another branch at Guindy, Chennai. Further, Saravana Kumar informed that it is a registered firm, deposits are invested in Share Market and returns of 6% to 10% interest per month is given for the amount deposited and that many branches of the Firm is functioning at various places in Tamil Nadu. He further submitted that the accused Saravana Kumar induced the defacto complainant to invest in this Firm promising high returns. The defacto complainant Kumar invested amount to the tune of Rs.6.35 Crores of himself and his family members. For these deposits, Saravana Kumar, Mohan Babu and other accused issued cheques and executed undertaking and bindings in Non-Judicial Stamp Papers. The accused lured investors with false promises by conducting regular meetings in big hotels. Believing the same, many investors invested their amounts and got cheated. The accused conjointly criminally conspired, cheated the investors and acquired movable and immovable properties from the investors amount. Based on the complaint of defacto complainant Kumar, the above case registered on 04.08.2022 against 6 accused and others. The named 6 accused in the FIR are M/s.LNS International Financial Services Limited/A1, V.Mohanbabu/A2, S.Lakshmi Narayanan/A3, S.Vedha Narayanan/A4, Janarthanan/A5, all residing at Phase.1, No.334, Sathuvacheri, Vellore and G.Saravana Kumar/A6 was residing at Arasamra Street, Rajeswari Garden, Kanchipuram. During the course of investigation, involvement of another two accused established and they were arrayed as A7-Kuppuraj and A8-Jaganathan.

11.He further submitted that since the investigation reveals criminal breach of trust committed in the name of agents, Section altered to 409, 420 and 120(B) IPC, Section 5 of Tamil Nadu Protection of Interests of Depositors (In Financial Establishments) Act, 1997 and Sections 3, 5, 21(1), 21(2), 21(3) 23 & 25 of Banning of Unregulated Deposit Scheme Act, 2019 on 23.09.2022 and alteration report submitted before the trial Court. In this case, as of now 11 accused namely A10/Janarthanan, A11/Saravana Kumar, A12/Kuppuraj and A13/Jegannathan, A17/Vivek Hanumatharao, A20/Gnanasekaran, A21/Hariharan, A22/Venkatesan, A23/Prabhu, A24/R.Janakiraman and A25/Hemendhira Kumar arrested and remanded to Judicial Custody. The Accused Saravana Kumar/A11, Kuppuraj/A12 and Jeganathan/A13 indulged themselves in alteration and manipulation of evidence, immediately after securing bail from the trial Court and this Court respectively. Hence, the respondent filed petition for cancellation of bail for Saravana Kumar/A11 and the same was allowed by this Court *vide* dated 06.07.2023 in Crl.M.P.No.8756 of 2023. At present, Non-bailable warrant is pending against the accused Saravana Kumar. Thereafter, the respondent filed petition for cancellation of bail against A13 in Crl.O.P.No.9022 of

2023, same allowed, bail cancelled on 14.03.2024 and A13 surrendered before the trial Court on 18.03.2024 and now lodged in Central Prison, Puzhal. A13 filed appeal petition before the Hon'ble Apex Court in SLP(Crl.)No.5816/2024 against the order of this Court in Crl.OP.No.9022 of 2023 and the same was dismissed on 15.05.2024 and Kuppuraj/A12 in Crl.O.P.No.9420 of 2023 respectively and they are pending before this Court.

12.He further submitted that the accused not registered with Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) and contravened the provisions of RBI Act, 1934. This proves the ulterior motive of the accused, in dishonestly and fraudulently collecting unregulated deposits from the public with the sole aim of committing financial fraud, cheating and for causing wrongful loss to depositors and make wrongful gain to the accused themselves. The analysis of data from the seized Laptops of accused and on interrogation of A11, A12 and A13, so far it has come to know that 84,000 depositors deposited their monies to the tune of Rs.13,000 Crores. As of now 5199 complaints received from investors to the tune of Rs.7,89,49,34,534/-. Based on investigation conducted, 19 accused including companies, LLP's arrayed as accused and charge sheet filed before the trial Court on 08.11.2022 and C.C.No.07 of 2022 assigned on 29.12.2022. Further investigation under section 173(8) Cr.P.C is being conducted in this case. In this case, A7/Mohan Babu, A8/Lakshmi Narayanan, A9/Vedha Narayanan, A10/Janarthanan are fugitives and the process of Extradition is carried out as per law. Look Out Circular (LOC) initiated on the main accused Mohan Babu, Lakshminarayanan, Vedhanarayanan and Janarthanan on 27.08.2022 and Red Corner Notice (RCN) published through interpol on 21.06.2023.

13.He further submitted that the above said accused fraudulent collection of unregulated deposits, had incorporated M/s.LNS International Financial Services Limited/A1, M/s.Arles Maxent Associates LLP/A2, M/s.Accordience Business Services LLP/A4, M/s.Constantius Corporate Business Services LLP/A5, M/s.MARC Opportunity development limited/A6 with ROC for business activities as “Education”. “Activities auxiliary to financial intermediation”, “Financial intermediation”, “except insurance", "Other business Activities" but not registered as a "Financial Establishment". A6/M/s.MARC Opportunity development limited was incorporated by the accused as a company only with the aim of cheating the public in a different platform by posing a false image as an Industrial Forum and for false propaganda to bring M/s LNS International Financial Services (IFS)/A1 to further limelight. A7 Mohan Babu, A8 Lakshmi Narayanan, A9 Vedhanarayanan, A10 Janarthanan are now fugitives and left India from Hyderabad Airport to Sharja on 24.07.2022 by flight No.G9-459 of AIR ARABIA bound to Sharja and Dubai and after one year, they had left from Sharja to UK. Further, the Extradition report was filed before the Ministry of External Affairs, New Delhi through the Ministry of Home Affairs against A10 on 07.02.2024. A10 left London to Bangkok (Thailand) for whom Red Corner Notice published. On the basis of Red Corner Notice (RCN) issued by Bangkok immigration/Interpol officials, identified A10, detained and sent him to Kolkatta through air and through Kolkatta immigration officials the said accused was brought to NSCBI Police Station, North 24Pgs, Kolkatta which was located near the Airport. Later the Officials of NSCBI Police Station handed over the accused to Additional

Chief Judicial Magistrate, Barrackpore, Kolkatta on 29.01.2025 and with Transit Warrant, the respondent along with team brought A10 to Chennai by air and got remanded him in Puzhal Central Jail on 30.01.2025.

14.He further submitted that in this case, A10, Lakshminarayanan/A8, Mohanbabu/A7, and Vedanarayanan/A9, who fled abroad established a trading company named *Fubnaches Limited* in George, Dubai. Subsequently, in 2023, the accused and their families relocated to the United Kingdom. It is submitted that there are cases registered against A10 and other in Karnataka and Maharashtra. A case registered at Wagle Police Station in Mumbai in Crime No.221 of 2022 for offence under Sections 420, 406, and 34 of the IPC. Another case registered at Whitefield Police Station in Karnataka under Crime No.355 of 2022, for offences under Sections 406 and 420 of the IPC. It is submitted that A10 along with A7/Mohanbabu, A8/Lakshminaraynan and A9/Vedhanarayanan, A14/Sundaram Bakthvatchalam and A10 all belong to the same family. With the sole intention to become wealthy in a short time and to lead a luxurious lifestyle, they knowingly entered into a criminal conspiracy, cheated the innocent public. As part of this conspiracy, they established a fraudulent entity under the name LNS International Financial Services, which was not formally registered. They appointed agents of their choice and lured the public into investing by promising interest rates between 6% and 10% on the invested amounts. Numerous promotional meetings were held in luxury star hotels to gain the trust of potential investors. According to available data, approximately 84,000 depositors invested a total sum of around Rs.13,000/- Crore. The idea of offering high interest rates and huge commissions to agents was deceptive. The funds collected from the public were misappropriated by the accused, who converted them to purchase luxury houses, cars, and jewelry in their own and benami names. As of now, 218 complaints lodged specifically against A10, with the total estimated value of these claims amounting to approximately Rs.29,83,32,500/-.

15.It is further submitted that the contention of A10 that A10 was remanded under Section 309 Cr.P.C and he cannot be taken into Police custody, is on a wrong premise. This Court in ***Gnanasekaran Thiyagaraj v. State Rep.by The Deputy Superintendent of Police, Economic Offences***

Wing (EOW-II), Police Traning College, Ashok Nagar, Chennai reported in ***2023:MHC:3725*** had held that the "accused if in custody" as per Section 309(2) CrPC do not include the accused who is arrested on further investigation before supplementary charge-sheet is filed. In this case, both A10 & A13 arrayed as accused even in the initial stage and even in the first charge sheet. In support of his submissions, the learned Additional Public Prosecutor relied on the following decisions.

- The Hon'ble Apex Court in ***Y.S.Jagan Mohan Reddy v. Central Bureau of Investigation*** reported in ***(2013) 7 SCC 439*** and ***Nimmagadda Prasad v. Central Bureau of Investigation*** reported in ***(2013) 7 SCC 466*** had held that economic offences constitute a class apart and need to be visited with a different approach in the matter of bail.
- The Hon'ble Apex Court in ***State of Gujarat v. Mohanlal Jitamaji Porwal*** reported in ***(1987) SCC 364*** had held that a murder may be committed in the heat of the moment upon passions being aroused. But an economic offence is committed with cool calculation and deliberate design with an eye on personal profit regardless of the consequence to the community.
- The Hon'ble Apex Court in ***Sohan Singh Rao v. Union of India*** reported in ***(2022) SCC OnLine Raj 1464*** had held that the economic offender should not be dealt as general offender because economic

offender run parallel economy and they are serious threat to the national economy.

16.The Additional Public Prosecutor filed counter in Crl.O.P.No.12688 of 2025 and submitted that investigation reveals that A13 was collecting unregulated deposits from numerous investors and was sending to A7/Mohan Babu and A8/Lakshminarayanan for investment in IFS. Further, A13 started M/s.GOOD HAMS Management Consulting LLP/A3 and it was not registered with Registrar of Companies and he is the designated partner. A13 issued bogus certificates in the name of A3 LLP to the depositors who invested their hard-earned monies. Based on the investigation conducted so far and on scrutinizing bank accounts of A13, it is revealed that A13 collected Rs.5,244.86/- Crores from the depositors. A13 hold more than 22 bank accounts and collected unregulated deposits amount from ICICI bank, Arakkonam branch A/c.No.190505000796. This particular bank account summary statement shows the transaction amount Rs.9,151.48/- Crores as credit amount and Rs.9,153.25/- Crores as debit amount. The flow of collection of unregulated deposits analyzed from the bank accounts of A13. Further huge number of complaints received against

A13. In this case, A13 in his capacity as an administrator and top level agent of M/s.International Financial Services Ltd, created more than 200 main agents and more than 6000 sub-agents for the collection of unregulated deposit amounts and to invest at M/s.International Financial Services Limited with a false promise to pay them exorbitant and impractical interest. So far 1,999 complaints received against A13 to the value of Rs.336,70,88,634/-. A13 earned several crores of rupees towards commission as he introduced several investors to invest in M/s.International Financial Services Limited.

17.He further submitted that A13 is actively involved in day to day business affairs of M/s.International Financial Services Ltd. A13's residence was searched on 03.04.2023 by the respondent. During the search, A13 was not there and only his parents present. Thereafter, summon pasted at A13's residence on 17.02.2024 calling and informing A13 to appear before the respondent on 20.02.2024. The investigation could not happen on 20.02.2024 due to non-cooperation of A13. Earlier A13 granted bail by the trial Court in Crl.M.P.No.4834 of 2022 on 13.12.2022.

Subsequently, A13 threatened the witnesses namely Masilamani, Anand Selvam and Vinoth, hence, a petition for cancellation of bail filed in Crl.OP.No.9022 of 2023 before this Court against A13, which was allowed on 14.03.2024 and A13 surrendered before the trial Court on 18.03.2024. Further, an agreement was made between A13 and his wife on behalf of Jagkrish Automation India Private Limited and SIPCOT for 99 years lease on 04.08.2021 with regard to the land allotment/property to an extent of 8.89 acres in Vallam Vadagal S.F.Nos.37, 45 and 61 to run a company in the name of JAGKRISH AUTOMATION INDIA PRIVATE LIMITED which was incorporated on 28.08.2019. During the investigation, it is found that A13 paid several crores to SIPCOT which was collected from public as unregulated deposits. A requisition letter sent to the Managing Director, SIPCOT, Rukmani Lakshmipathi Road, Egmore, Chennai to put on hold the amount deposited in SIPCOT by A13 to attach this amount. 22 properties in the name of A13 and his family members identified, of which 19 are vacant plots and 2 buildings. Two separate proposals sent, one for 19 vacant plots and a letter sent to the PWD Department requesting the valuation of two buildings. It is submitted that actions involving unregulated deposits is an act in rem and not an act in personam. The actions of A13 have an impact on the entire public and soceity. A13 will not cooperate with the investigation or trial. If the liberty of Bail is granted to A13, he shall abuse it by tampering evidence and witness. In support his submissions, learned Additional Public Prosecutor relied on the following decisions:

- In ***Parbatbhai Aahir @ Parbatbhai Bhimsinhbhai Kumar & Ors. v. State of Gujarat and Another*** reported in ***(2017) 9 SCC 641***, the Hon'ble Apex Court had held that economic offences involving the financial and economic well-being of the state have implications which lie beyond the domain of a mere dispute between private disputants.
- In ***Sahebrao Arjun Hon v. Raosahed*** reported in ***2022 SCC OnLine 1160***, the Hon'ble Apex Court had held that the gravity of the crime is the prime consideration for deciding what should be the appropriate punishment in a criminal case.

18.Making the above submissions and relying on the above decisions, he strongly opposed for grant of bail to A10 & A13.

19.The learned counsel for Intervener/defacto complainant submitted that initially five named person and others arrayed as accused in Crime

No.16 of 2022, thereafter, during investigation, the complicity and role played by other accused had come to light, on completion of investigation, charge sheet filed before the trial Court against 25 persons and C.C.No.7 of 2022 assigned. A11/Saravanakumar was granted interim anticipatory bail in Crl.O.P.No.855 of 2023 on 19.01.2023 with a direction directing him to deposit a sum of Rs.1 Crore to the credit of Crime No.16 of 2022 within a period of four weeks which he failed to comply, hence, the respondent filed cancellation of bail in Crl.M.P.No.8256 of 2023 in Crl.O.P.No.855 of 2023 in which this Court by order dated 06.07.2023 cancelled the interim anticipatory bail, against which, A11 approached the Hon'ble Apex Court in SLP(Crl.)No.8412 of 2023 which was dismissed giving liberty to approach this Court. Right from the initial stage, the depositors are fighting against the perpetrators of crime who are well armed with money and men power. With efficient legal team, they are approaching this Court and the Hon'ble Apex Court at the drop of the hat for one reason or other, thereby stalled even registration of FIR and to initiate the investigation. When the notice was issued to Lakshminarayanan, Sundaram Bakthavachalam, Vedha Narayanan, the Directors of M/s.LNS International Financial Services

Limited/A1, they filed a Writ Petition before this Court in W.P.No.14703 of 2022 seeking to quash the enquiry initiated by the respondent and this Court by order dated 17.06.2022 on perusal of the status of investigation and specific complaint and irregularities committed, had dismissed the writ petition directing the respondent to conduct preliminary enquiry following the dictum of the Hon'ble Apex Court in ***Lalita Kumari v. State of Uttar Pradesh*** reported in ***(2014) 2 SCC 1.*** Thereafter, a batch of petitions in Crl.O.P.No.13061 of 2022 batch filed before this Court and this Court gave protection order on 18.07.2022 directing the accused to deposit a sum of Rs.50 Crores which they offered and further, the accused had also no objection for return of seized amount of Rs.3,44,43,697/-, this Court directed the competent authority to disburse the amount to the respective claimants directly from frozen bank account. The petitioners therein was also directed to appear before the respondent but they failed to comply with the condition, hence, the petitions later dismissed. Thus, right from the initial stage, the accused put spokes to the investigation, in a discrete manner, staked the amount collected from the general public, safely concealed and parked at various places in India and abroad. The respondent registered a case and took up investigation and seized huge sums of money and properties of A10 & A13 and also other accused. The amount and property so far seized is only a fraction compared to the amount lost by the general public. Further, in this case, some of the accused are absconding and steps are taken by the respondent seeking Red Corner Notice to identify and extradite the absconding accused. The submission of A10 & A13 they being kept in prison for prolonged period, it is on their own making. Hence, he strongly opposed for grant of bail to A10 & A13.

20.This Court considered the rival submissions and perused the materials available on record.

21.In this case, A10 arrested on 29.01.2024 at Kolkatta Airport based on Non Bailable Warrant issued by the trial Court and through the transit warrant, he was produced before the trial Court and remanded on 30.01.2025. A10 absconded and went to Sharjah and Dubai along with other accused but now gives an explanation that due to threat of A8, he left India is not proper. It is to be seen that even at the stage of preliminary enquiry, the suspect and the accused one after another approached this Court either by way of writ petition or criminal original petition and promised that they would settle the issue, assured the deposited money are safely invested and can be returned. In this case, the accused collected huge sums of money from the general public in the name of share trading business but only nominal shares purchased. Further, A1 to A6 Companies are not registered share brokers or agents. The companies floated objects and schemes not conducted business for what reason they were formed and its activities are diametrically opposite. The sole aim of the accused in this case appears to be diversion of funds, enriching themselves and to discrete the misappropriated amount in safe heavens.

22.The respondent registered a case, conducted investigation and were able to unearth some portion of monies and properties which were diverted by the accused in the name of employees, agents, sub agents and in whatever name they could. The public money of huge sums swindled, diverted, cheated and misappropriated.

23.It is to be noted that both A10 & A13 (petitioners herein) arrayed as accused in the initial final report. In fact, A10 is named accused in the FIR. The petitioner and other accused scuttling enquiry and investigation at all stages, A10 fled to Sharjah, Dubai, from there to London. While coming back, by Red Corner Notice A10 arrested and produced before the trial Court. The contention of A10 that he was remanded under Section 309 Cr.P.C and not under Section 167(2) does not merit consideration in view of the decision of this Court in ***Gnanasekaran Thiyagaraj v. State Rep.by The Deputy Superintendent of Police, Economic Offences Wing (EOW-II), Police Traning College, Ashok Nagar, Chennai*** reported in ***2023:MHC:3725*** wherein this Court following the decision of the Hon'ble Apex Court clearly clarified the status and right of the accused who are named in the initial final report and unnamed accused who are later included after further investigation.

24.As regards A13 is concerned, though he was granted bail, he tampered and threatened the witnesses. Considering the conduct of A13, this Court cancelled the bail by order dated 14.03.2024 in Crl.O.P.No.9022 of 2023. Challenging the same, A13 approached the Hon'ble Apex Court in SLP(Crl.)No.5816/2024 and the same dismissed on 15.05.2024. In this case, A13 started M/s.GOOD HAMS Management Consulting LLP/A3 but not registered with Registrar of Companies. A3 actively conspired and connived with A1, A2, A4, A5 & A6 Companies and other accused misappropriated and cheated huge sums of public money. In this case, pendency of trial is due to the abscondness of other accused not for the reason of further investigation. It is the making of the accused, they cannot make a turn around and seek any benefit.

25.The Hon'ble Apex Court and this Court had held that in the case of economic offender, they cannot be dealt as general offender, economic offences constitute a class apart and need to be visited with different approach in the matter of bail. The economic offenders having deep-rooted conspiracies involving huge loss of public funds, needs to be viewed seriously and considered as grave offence. In this case, so far 1,999 complaints received against A13 to the value of Rs.336,70,88,634/- and A13 earned several crores of rupees towards commission as he had introduced several investors to invest.

26.Taking into consideration of the facts and circumstances of the case and there is involvement of huge public money, this Court is not inclined to grant bail to A10 & A13 (petitioners herein). Accordingly, Criminal Original Petitions are dismissed. Intervening Petitions filed in Crl.M.P.Nos.14043 & 14044 of 2025 in Crl.O.P.Nos.12688 & 17168 of 2025 are ordered.

20.08.2025

Speaking Order/Non Speaking Order
Index : Yes/No
Neutral Citation: Yes/No
vv2

To

1.The Deputy Superintendent of Police,
Economic Offence Wing Hqrs,
Ashok Nagar, Chennai.

2.The Public Prosecutor,
Madras High Court.

M.NIRMAL KUMAR, J.

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PRE-DELIVERY ORDERS IN
Crl.O.P.Nos.12688 & 17168 of 2025

20.08.2025