IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 22.08.2025

CORAM:

THE HONOURABLE MR.JUSTICE **G.K.ILANTHIRAIYAN**

Crl.M.P.No.16004 of 2025
in Crl.A.No.188 of 2024

Ram Mohan ... Petitioner

Vs

The State Represented by
Deputy Superintendent of Police,
Economic Offences Wing-II,
Guindy, Chennai-32. ... Respondent

PRAYER: Criminal Miscellaneous Petition is filed under Section 528 of BNSS, 2023, to modify the condition imposed in order dated 19.07.2024 in Para No.33(1) in Crl.M.P.No.2694 of 2024 in Criminal Appeal No.188 of 2024.

For Petitioner : Mr.P.V.Balasubramaniam, Senior Counsel for Mr.Ramaswamy Meyyappan
For Respondent : Mr.S.Raja Kumar Additional Public Prosecutor
For Defacto Complainant Depositor Association : Mr.C.Arun Kumar

ORDER

This Criminal Miscellaneous Petition has been filed by the petitioner, to modify the condition imposed in order dated 19.07.2024 in Para No.33(1) in Crl.M.P.No.2694 of 2024 in Criminal Appeal No.188 of 2024.

2. The petitioner is arrayed as A13. The case of the prosecution is that the fourth accused floated 17 companies and deviced four deposit schemes in the name of Prime Invest, Asset Backed Security Bond, Safety Plus and Liquid Plus. The fourth accused collected huge amount from the depositors by promising to give higher rate of interest. Thereafter, he had committed default and did not repay any amount to the depositors. Hence, the complaint.

3. On the said complaint, the respondent registered FIR in Crime No.5 of 2013 and another FIR was also registered in Crime No.1 of 2015 on the file of the Economic Offences Wing, Trichy. Thereafter, both the cases were clubbed together, the investigation was completed, filed a final report and the same has been taken cognizance as against 34 accused. There were totally 587 depositors. A4 to A7 started number of shell companies viz., A2, A3, A18 to A31, which are all promoted by A4. A2, A3, A18 to A31 are all bogus companies and started schemes for deposits only for cheating the general public and also for dishonestly misappropriating the public funds by portraying them as genuine. A4 appointed his Directors viz., A9 to A14, A32 to A34 of these shell companies, thereby managing and controlling them to siphon off and divert public money to his own benefit and the benefit of family members of

A15 to A17. A4 to A7 arrayed their credentials, educational background and pass experience to induce the depositors to invest in the schemes of A1 Company viz., Viswapriya (India) Ltd.,. A9 to A14 and A32 to A34 being Executives/Directors of A2, A3, A18 to A34 acted as authorized agents of A1 and A4. They coaxed the depositors and collected huge deposits by promising to return the same with huge interest.

4. The shell companies were all used as layers to siphon off funds as loans and bogus transfers with a view to dishonestly misappropriate, fraudulently remove and conceal property to various entities by purchasing immovable properties, shares and other assets ultimately for the benefit of A4 and his family members A15 to A17. Therefore, A1 to A34 had committed offences of criminal conspiracy of forgery for the purpose of cheating, dishonest misappropriation, fraudulent removal and concealment of property. They had collected money from 587 depositors under 3804 deposits to the tune of Rs.47,68,92,011/- and they had committed default to pay the maturity amount to the tune of Rs.51,47,29,861/-.

5. Therefore, all the accused were charged for the offences punishable under Sections 120B, 420, 468, 471, 406, 409 read with 109 of IPC and under Section 5 (3804 counts) of TNPID Act. After full-fledged trial, the Trial Court

convicted all the accused persons. Insofar as the petitioner is concerned, he was convicted for the offence punishable under Section 5 of TNPID Act (446 counts) and sentenced to undergo rigorous imprisonment for a period of ten years for each count (7 times) and to pay a fine of Rs.50,000/- each count (7 times). He was convicted for the offences punishable under Section 120(b) read with 420 of IPC and sentenced to undergo rigorous imprisonment for a period of four years (7 times) and to pay a fine of Rs.10,000/- (7 times). He was also sentenced to under rigorous imprisonment for a period of four years (7 times) and to pay a fine of Rs.10,000/- (7 times) for the offence punishable under Section 420 of IPC. He was convicted for the offence punishable under Section 406 of IPC and sentenced to undergo two years rigorous imprisonment (7 times) and to pay a fine of Rs.10,000/- (7 times), in default of payment of fine, A13 shall further undergo simple imprisonment for a period of 6 months, for each default. The total fine amount was Rs.15,63,10,000/-. The sentence shall run concurrently. Aggrieved by the same, the petitioner preferred this appeal and his sentence was suspended by this Court, on condition that the petitioner shall deposit a sum of Rs.3 Crores to the credit of the Trial Court.

6. The petitioner has been in incarceration from the date of the Judgment viz., 20.11.2023. During the course of investigation, he was arrested

and remanded to judicial custody. Since the petitioner has been unable to comply with the conditions imposed by this Court, he is in incarceration till today. Hence, this petition.

7. A perusal of records and also on the submissions made by the learned Senior Counsel appearing for the petitioner revealed that the petitioner is arrayed as A13. A perusal of the entire charges revealed that the fourth accused is the master brain behind the entire crime. He started shell companies viz., A2, A3, A18 to A31 and used as layers to siphon off funds as loans and bogus transfers with a view to dishonestly misappropriate, fraudulently remove and conceal property to various entities by purchasing immovable properties, shares and other assets ultimately for the benefit of A4 and his family members A15 to A17. All the staffs were inducted as Directors of the said bogus Companies. Though the petitioner and other Directors canvassed the depositors to deposit money in the name of the Company, no single penny was deposited in the name of the petitioner or his family members. No amount was transferred to his personal account or to the account of his family members. According to the case of the prosecution, the petitioner canvassed on behalf of the shell Companies and received deposits. Though he had signed the receipts, the entire amounts were accounted to the credit of the shell Companies. The petitioner is

qualified with B.Com degree and joined with the fourth accused as an Accountant. Later, he was inducted as a Director of the shell Company.

8. The learned Senior Counsel appearing for the petitioner produced the income tax returns of the petition for the assessment year 2020-2021, 2021-2022 and 2022-2023. It revealed that his income is not more than Rs.4.5 Lakhs for every assessment year. That apart, the petitioner, being an Accountant was subsequently inducted as a Director of the shell Company is unable to comply with the condition imposed by this Court. In fact, the other accused who were benefited from the money collected from the depositors had duly complied with the conditions imposed by this Court and released on bail.

9. In fact, the prosecution also did not seize any movable or immovable property from the petitioner, since he did not possess any valuable movable or immovable properties. The petitioner and his wife possessed a small flat that too purchased from the financial assistants by a private Bank and paying monthly installments. For the said loan, the said property was already mortgaged and created charge. However, now the petitioner managed to mobilise funds to the tune of Rs.40 Lakhs and he is ready and willing to deposit

to the credit of the Trial Court.

10. Though the learned counsel for the defacto complainant vehemently objected to modify the condition, since already the petitioner filed a petition for modification and the same was dismissed as withdrawn, he insisted to deposit reasonable amount while modifying the condition imposed by this Court.

11. Considering the facts and circumstances of the case, this Court is inclined to modify the condition imposed by this Court in Para No.33(i) in Crl.M.P.No.2694 of 2024 in Crl.A.No.188 of 2024 dated 19.07.2024 as follows:

> " 33(i) The petitioner shall deposit a sum of **Rs.50,00,000/-** (Rupees Fifty Lakhs only) instead of Rs.3 Crores to the credit of C.C.No.6 of 2020 on the file of the Special Judge, Special Court under the Tamil Nadu Protection of Interests of Depositors (in Financial Establishments) Act, 1997, Chennai and acknowledgement of such deposit shall be produced before the Special Judge."

The other conditions shall remain intact.

12. With the above directions, this Criminal Miscellaneous Petition is

ordered.

22.08.2025

Internet:Yes
Index:Yes/No
Speaking/Non speaking order
mn

To

1. The Special Judge,
   Special Court under the Tamil Nadu
   Protection of Interests of Depositors
   (in Financial Establishments) Act, 1997,
   Chennai.

2. The Deputy Superintendent of Police,
   Economic Offences Wing-II,
   Guindy, Chennai-32.

3. The Public Prosecutor,
   High Court, Madras.

G.K.ILANTHIRAIYAN. J,

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