IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 09.07.2026

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THE HONOURABLE Mr. JUSTICE C.KUMARAPPAN

Crl.O.P.No.12813 of 2026

V.Mohan Babu ... Petitioner

Vs.

The State Represented by
The Deputy Superintendent of Police,
Economic Offence Wing,
Chennai.
[Cr.No.16 of 2022] ... Respondent

PRAYER : Criminal Original Petition filed under Section 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023, to enlarge the petitioner on bail in C.C.No.7 of 2022 on the file of the learned Special Judge under the TNPID Act, Chennai.

For Petitioner : Mr.V.Raghavachari,
Senior Counsel
for Mr.Sunny Shren Akkara

For Respondent : Mr.S.Yogaraja Sekar,
Government Advocate (Crl.Side)

For Intervener : Mr.C.Rajakumar

ORDER

The petitioner, who was arrested and remanded to judicial custody on 07.01.2026 for the alleged offences punishable under Sections 409, 420 r/w

120(B) of IPC and Section 5 of TNPID Act, 1997 and Sections 3, 5, 21(1), 21(2), 21(3), 23 & 25 of BUDS Act, 2019, in C.C.No.7 of 2022 on the file of the Special Court under TNPID Act, Chennai in connection with Crime No.16 of 2022, on the file of the respondent police, seeks bail.

2. The case of the prosecution is that the petitioner/A7, in conspiracy with the other accused, had floated a company in the name and style of M/s.International Financial Services (IFS) Ltd., and induced the public to invest by promising exorbitant monthly returns. It is alleged that the accused concealed the true nature of the business and falsely represented that the Company was engaged in trading activities. It is further alleged that, acting on such representations, more than 84,000 depositors invested their hard-earned money, and the accused are alleged to have misappropriated deposits to the tune of more than Rs.13,000 Crores. Hence, the case.

3. The learned Senior Counsel appearing for the petitioner would submit that, though according to the prosecution this is a case of large-scale financial fraud, the petitioner is innocent. According to the learned Senior Counsel, the petitioner had left for abroad on 24.07.2022, without any knowledge of the proposed registration of the First Information Report, whereas the present First

Information Report came to be registered only on 04.08.2022. Thereafter, the final report was filed on 21.12.2022. In the meantime, after the issuance of a Non-Bailable Warrant, the petitioner obtained anticipatory bail on 19.08.2025. On his arrival at Hyderabad, he was arrested at the Airport on 12.12.2025. Subsequently, he was granted bail in the case registered in Telangana and, pursuant to a Prisoner Transit(PT) Warrant, he was produced before the jurisdictional Court on 07.01.2026. Since then, the petitioner has been in judicial custody in the present case.

4. The learned Senior Counsel would further submit that, despite having been granted bail by the learned Sessions Judge, Hyderabad, the petitioner continues to remain in custody in the present case. It is his further submission that one Veda Narayanan, arrayed as A9, has already been enlarged on bail and that the petitioner stands on the same footing and is, therefore, entitled to parity. The learned Senior Counsel would further contend that the very conduct of the petitioner in voluntarily returning from abroad and taking all necessary steps to submit himself to the jurisdiction of the Court clearly demonstrates his bona fides and willingness to cooperate with the investigation. It is further submitted that the investigation has already been completed and that his continued incarceration since 07.01.2026, without any substantial progress in

the trial, infringes his right to personal liberty. Hence, he prayed to enlarge the petitioner on bail.

5. Per contra, the said contention was stoutly opposed by the learned Government Advocate (Crl.Side) and would submit that the co-accused who have been enlarged on bail were granted only statutory bail and not regular bail. According to the learned Government Advocate (Crl.Side), the petitioner, anticipating the registration of the First Information Report, left the Country on 24.07.2022, nearly a week prior to its registration. Despite strenuous efforts, the respondent Police could not secure his presence and it was only after the issuance of a Look Out Circular and Red Corner Notice the petitioner eventually returned to India. It is contended that there are no materials to establish the bona fides of the petitioner. The claim of parity with A9 is also misconceived, inasmuch as the overt acts attributed to the petitioner are far more serious. The learned Government Advocate (Crl.Side) would further submit that the bail granted to A13 was subsequently cancelled and A11 continues to abscond. Hence, he prayed for dismissal of the present bail petition.

6. The learned counsel appearing for the Intervener reiterated the submissions made by the learned Government Advocate (Crl.Side) and vehemently opposed the grant of bail to the petitioner.

7. I have given my anxious consideration to either side submissions.

8. According to the prosecution, the present case involves nearly 84,000 depositors and an alleged fraud to the tune of Rs.13,000 Crores. Out of the said amount, the petitioner's alleged involvement is stated to be Rs.410 Crores, affecting 2,834 depositors. The aforesaid statistics, prima facie, demonstrate the magnitude of the economic offence allegedly committed by the petitioner. It is also relevant to note that, though the alleged fraud is to the tune of Rs.13,000 Crores, properties worth only about Rs.200 Crores have so far been attached.

9. At this juncture, it is relevant to consider the petitioner's claim of parity with A9. On a perusal of the order granting bail to A9, it is seen that there is a specific finding that there were no individual complaints from any members of the public against A9/Veda Narayanan and that there was no allegation that he had personally induced any depositor to invest. In the case in

hand, however, according to the prosecution, as many as 2,834 complainants have specifically stated that they invested their hard-earned money, amounting to Rs.410,54,26,598/-, solely on the inducement made by the petitioner. It is also relevant to note that the bail application of the co-accused, Jagannathan (A3), was dismissed by the Hon'ble Supreme Court. Similarly, the bail granted to A11 was subsequently cancelled on the ground of tampering with witnesses.

10. As a matter of fact, some of the accused, particularly the petitioner's father, uncle and cousin, are still absconding. It is well settled principle that bail is the rule and jail is the exception. However, the said principle cannot be applied mechanically in cases involving financial crimes of an extraordinarily high magnitude. The Hon'ble Supreme Court, in ***Y.S. Jagan Mohan Reddy v. CBI****,* reported in ***(2013) 7 SCC 439****,* has categorically held that economic offences constitute a class apart and require a different approach while considering bail. According to the prosecution, the present case involves a deep-rooted conspiracy in mobilizing huge deposits from the public, thereby causing enormous financial loss. The victims are ordinary citizens of this country, who are equally entitled to the protection guaranteed under the Constitution of India.

11. It is also relevant to observe that the right to life and personal liberty of the depositors is not confined merely to their physical existence but extends to their economic well-being and dignity of life. In offences of this nature, where innocent members of the public are alleged to have been cheated of their hard-earned savings by persons such as the petitioner, who, according to the prosecution, enjoyed a luxurious lifestyle abroad with the proceeds of the crime, the plea of personal liberty cannot be considered in isolation, overlooking the rights of thousands of innocent depositors. In this regard, it is appropriate to refer the judgment of the Hon'ble Supreme Court in ***Rakesh Mittal Vs. Ajay Pal Gupta Alias Sonu Chaudhary*** reported in ***2026 SCC OnLine SC 211.***

12. As already observed, though the alleged fraud is to the tune of Rs.13,000 Crores, properties worth only about Rs.200 Crores have been attached till date. Having regard to the magnitude of the offence, the nature of the allegations and the larger public interest involved, this Court does not find any merit in the present bail petition.

13. Accordingly, this Criminal Original Petition is dismissed.

09.07.2026

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To

1. The Special Court under the TNPID Act, Chennai.

2. The Deputy Superintendent of Police,
Economic Offence Wing,
Chennai.

3.The Public Prosecutor, High Court of Madras.

C.KUMARAPPAN.J.

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