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CRL MP No. 8685 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 21.08.2026

CORAM

THE HON'BLE MR JUSTICE M. NIRMAL KUMAR

CRL.M.P.No.8685 of 2026
and Crl.A.No.639 of 2026

P.Ganesan,
S/o.Palanisamy (Male-62),
No.3, Moogambigai Nagar,
Karumarampalayam,
Mannarai Thirupoor.

..Petitioner(s)

Vs

State rep.by,
The Deputy Superintendent of Police,
Economic Offences wing-II,
Coimbatore.

..Respondent(s)

PRAYER: Criminal Miscellaneous Petition is filed under Section 430 of Bharatiya Nagarik Suraksha Sanhita, 2023, to suspend the sentence and fine amount passed by the passed in CC.No.6 of 2017 by the learned Special Judge, Special Court under TNPID Act, Coimbatore, on 16.04.2026 pending disposal of this the Criminal Appeal and enlarged the petitioner / appellant on bail.

For Petitioner(s):

Mr.Lenin Balu

For Respondent(s):

Mrs.Sharada Vivek,
Government Advocate (Crl. Side) assisted by
Mr.M.Arul Raj



ORDER

This Criminal Miscellaneous Petition has been filed to suspend the sentence and fine amount in C.C.No.6 of 2017 by the learned Special Judge, Special Court under TNPID Act, Coimbatore on 16.04.2026 pending disposal of this Criminal Appeal and enlarged the petitioner/A4 on bail.

2.The conviction and sentence imposed on the petitioner/A4 are as follows:

(a)A1 & A2 to pay fine of Rs.8,000/- for each count (Rs.8,000/- X 130 Depositors x 3 offences = Rs.31,20,000/-), under sections 420, 406 of IPC and Section 5 of TNPID Act. A3 and the petitioner/A4 shall pay the said fine amount equally on behalf of A1 & A2, i.e., each Rs.15,60,000/-, in default of payment of fine A3 & A4 to undergo two years rigorous imprisonment.

(b)A3 & the petitioner/A4 to undergo seven years Rigorous Imprisonment and each to pay fine of Rs.10,000/- (Rs.10,000/- X 2 Accused = Rs.20,000/-) under Section 120-B r/w 420 of IPC, in default of payment of fine, to undergo further one and half years rigorous imprisonment.

(c)A3 & A4 to undergo seven years Rigorous Imprisonment and each to pay fine of Rs.8,000/- for each count (Rs.8,000/- X 130 Depositors x 2 Accused



= Rs.20,80,000/-) under Section 420 of IPC, in default of payment of fine, to undergo further one and half years rigorous imprisonment.

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(d)A3 & the petitioner/A4 to undergo three years Rigorous Imprisonment and each to pay fine of Rs.8,000/- for each count (Rs.8,000/- X 130 Depositors X 2 Accused = Rs.20,80,000/-) under Section 406 of IPC, in default of payment of fine, to undergo further nine months rigorous imprisonment.

(e)A3 & the petitioner/A4 to undergo ten years Rigorous Imprisonment and each to pay fine of Rs.8,000/- for each count (Rs.8,000/- X 130 Depositors X 2 Accused = Rs.20,80,000/-) under Section 5 of TNPID Act, 1997, in default of payment of fine, to undergo further two years Rigorous Imprisonment.

(f)Total fine amount is Rs.93,80,000/-. A3 & the petitioner/A4 have to pay Rs.46,90,000/- each. The above sentences shall run concurrently.

3.The learned counsel for the petitioner submitted that the petitioner came into contact with the other accused, namely, A3, who was previously employed with Tripura Chit Funds. He submitted that the petitioner paid a sum of Rs.8,00,000/- to A3. When the petitioner requested A3 to repay the said amount, A3 made him as Partner in his business for the purpose of enabling him to recover the said sum of Rs.8,00,000/-, and accordingly, the petitioner joined



him. Ultimately, the petitioner got into trouble and is now being projected as a partner and Executive Director of A1 and A2.

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4.The learned counsel further submitted that the petitioner examined himself as DW1 and gave his explanation. Since A3 absconded, the depositors came to the petitioner's residence at Dindigul. Thereafter, the petitioner negotiated with them and repaid a portion of the amount. He even pledged his jewels and, to the extent possible, repaid the amounts from whatever funds were available with him. Further, it was the petitioner himself who advised the depositors to lodge a complaint, as he was under the bonafide belief that he was merely a name lender who joined the business only for the purpose of recovering the amount due to him. However, he now finds himself in trouble in the said case. Hence, he prays for suspension of sentence.

5.Learned Government Advocate (Crl. Side) appearing for the respondent Police filed counter and submitted that the case in Crime No.06 of 2016 was registered on 29.04.2016 at 14.00 hrs by the District Crime Branch, Tiruppur on 29.04.2016 at about 16.00 hrs by the Inspector of Police District Crime Branch, Tiruppur and during the investigation accused A3 Dharmalingam and Appellant/Accused A4 Ganesan were arrested. The Accused Dharmalingam, and gave the confession statement voluntarily before the Inspector of Police, District Crime Branch, Tiruppur in the presence of two witnesses and also



seized one Mahindra XUV 500 car registration No.TN 39 CA 0005 from the accused P.Ganesan under seizure magazar after that the accused weresent to the juridical custody. Then as per the proceedings of the Additional Director General of Police (Law & Order), Chennai in R.C.No.97203/2016/Crime II(1)/2016 dated 16.07.2016, and the orders of the Additional Director General of Police, Economic Offences Wing, Chennai, the case was in R.C.No.C2/EOW/6703/508/2016, transferred to the Economic Offences Wing, Coimbatore. Hence the above case was re-registered by the Economic Offences Wing, Coimbatore as Cr.No.05/2016 on 21.09.2016 under Sections 120(B), 406, and 420 IPC, and Sections 3 and 4 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978. During the course of further investigation, the Section of this case 120(B), 406,420 IPC and 3 &4 Prize chits and Money Circulation Scheme (Banning) Act 1978 was altered to U/s 120(B), 406,420 IPC and section 5 of Tamil Nadu Protection of interest of Depositors Act 1997 on 30.09.2016 and the alteration report was submitted before the Chief Judicial magistrate Court, Tiruppur. With the requisition to send the FIR and connected documents to the Special Court under TNPID Act case, Coimbatore for further process.

6.She further submitted that The investigation revealed that the financial establishments A1) Sri Vetrivel Murugan Chits, and A2) Arulmigu Vetrimurugan Chits Private Limited were run by the accused A3)



L.Dharmalingam and the Appellant/A4 P.Ganesan. Both the accused had colluded together and canvassed the general public to deposit money in various chit schemes floated in the name of the said establishments. The chit schemes were operated for amounts of Rs.50,000/-, Rs.1,00,000/-, Rs.5,00,000/-, and Rs.10,00,000/- for a period of 20 months by collecting specified monthly subscriptions from 20 subscribers in each chit group. The investigation further revealed that the financial establishment namely Arulmigu Vetrinmurugan Chits Private Limited had been registered before the Registrar of Companies, Coimbatore, on 26.05.2015 with Corporate Identification No.U65992TZ2015PTC021432, at Door No.268, Navena Complex, Karumarampalayam Bus Stop, Uthukuli Main Road, Tiruppur District, as the A3 L.Dharmalingam was the Managing Director and Appellant/A4 was the Executive Director of the said company. Further, Sri Vetrivel Murugan Chits was registered before the Registrar of Firms, Tiruppur, vide Registration No.135/2015 on 11.02.2015, The accused L. Dharmalingam and the Appellant/A4 P. Ganesan were partners of the said firm functioning at Door No.268, Navena Complex, Karumarampalayam, Uthukuli Main Road, Tiruppur.

7.Further submitted that A3 L.Dharmalingam and the Appellant/A4 P.Ganesan were running the above financial establishments and both collected deposits from the public under various attractive schemes. The default amount was quantified at Rs.61,08,161/- (Rupees Sixty-One Lakhs Eight Thousand One



Hundred and Sixty-One only) payable to the 92 depositors. It is submitted that the Final Report was filed and the case was taken on file as C.C. No.06 of 2017 on 14.11.2017 by the Hon'ble Special Court under the TNPID Act, Coimbatore. Subsequently, an Additional Final Report was filed in respect of a further sum of Rs. 19,49,700/- payable to 38 depositors. Hence, the total default amount covered under the both Final Report amounted to Rs.80,57,861/-involving 130 depositors (133 counts). During trial, PW1 to PW128 examined and Exs.P1 to P391 marked. On conclusion of trial, the trial Court convicted the accused as stated above. She further produced the report dated 21.08.2026 of the Revenue Divisional Officer, Tiruppur stating that now an amount of Rs.12,69,711/- is lying in the account of the Revenue Divisional Officer, Tiruppur.

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

9.Scanned reproduction of the report dated 21.08.2026 submitted by the respondent Police is as follows:



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கோவை பொருளாதார குற்றப்பிரிவு குற்ற எண்.05-2016

ஸ்ரீ வெற்றிவேல் முருகன் சிட் பண்ட்ஸ்

கோவை பொருளாதார குற்றப்பிரிவு குற்ற எண்.05-2016 ஸ்ரீ வெற்றிவேல் முருகன் சிட் பண்ட்ஸ் வழக்கின் எதிரி 4 கணேசன் பெயரிலுள்ள Mahindra XUV-500FWD W8 பதிவு எண், TN39 CA0005 உள்ள வாகனம் அரசு ஆணை G.O.Ms.No.783 dated 26.10.2017, பெறப்பட்டு திருப்பூர் மாவட்ட வருவாய் அலுவலர் அவர்களால் O.A.22/17, dt:27.03.18 தேதி கோவை TNPID நீதிமன்றத்தில் மனு தாக்கல் செய்யப்பட்டு மேற்படி வாகனத்தை ஏலம் விட உத்தரவு பெறப்பட்டு கடந்த 22.10.2018-ம் தேதி ஏலம் விட்ட வகையில் ரூ.7,10,000/- கிடைக்கப்பெற்றது. தற்போது அதன் மதிப்பு ரூ.11,04,926/- திருப்பூர் மாவட்ட வருவாய் அலுவலர் வசம் உள்ளது. மேற்படி தொகையை முதலீட்டாளர்களுக்கு பிரித்து கொடுக்க திருப்பூர் மாவட்ட வருவாய் அலுவலர் அவர்களால் O.A.NO.25/26 தேதி 28.07.2026 கோவை TNPID நீதிமன்றத்தில் மனு தாக்கல் செய்யப்பட்டுள்ளது.

மேலும் ஏற்கனவே நிறுவனத்தின் பெயரில் இருந்த தொகை ரூ.5,90,360/- னை அசல் வட்டியுடன் சேர்த்து ரூ.9,94,843/- யை அரசு ஆணை GO(4D) No. 142, dt: 31.07.2025. பெற்று பின்னர் முதலீட்டாளர்களுக்கு பணத்தினை பிரித்து கொடுக்க திருப்பூர் மாவட்ட வருவாய் அலுவலர் அவர்களால் O.A.NO.67/25 தேதி 29.10.2025 கோவை TNPID நீதிமன்றத்தில் மனு தாக்கல் செய்யப்பட்டு கடந்த 27.03.2026 தேதி உத்தரவு பெறப்பட்டு கடந்த 12.06.2026, 17.06.2026 மற்றும் 14.07.2026 ஆகிய தேதிகளில் 109 முதலீட்டாளர்களுக்கு ரூ.8,30,058/- பிரித்து கொடுக்கப்பட்டுள்ளது. மீதம் உள்ள தொகை ரூ.1,64,785 இருக்கிறது.

மேலும் தற்போது திருப்பூர் மாவட்ட வருவாய் அலுவலரிடம் மேற்படி வழக்கு சம்மந்தமான தொகை ரூ.12,69,711/- இருந்து வருகிறது என்பதை பணிவுடன் தெரிவித்துக்கொள்கிறேன்.


காவல் துணை கண்காணிப்பாளர்,
பொருளாதார குற்றப்பிரிவு,
திருப்பூர் மாவட்டம்.



10. From the above report, it is seen that pursuant to the auction of the petitioner's car, viz., Mahindra XUV-500 FWD W8, a sum of Rs.7,10,000/- realised and the said amount, along with accrued interest, is to Rs.11,04,926/-, which is presently available with the District Revenue Officer, Tiruppur. Further, a sum of Rs.5,90,360/- lying in the name of the company, together with the accrued interest, is to Rs.9,94,843/- available. Thus, the total amount available comes to Rs.20,99,769/-. Out of the said amount, a sum of Rs.8,30,058/- disbursed to 109 depositors, leaving a balance of Rs.12,69,711/-. The said balance amount is presently available with the District Revenue Officer, Tiruppur. Giving credit to the realised amount and interest, the petitioner/A4 is to pay a further sum of Rs.25,99,230/- towards the total fine amount of Rs.46,90,000/-.

11. Learned counsel for the petitioner, on instructions, submits that the balance amount of Rs.25,99,230/- may be rounded off to Rs.26,00,000/-, which the petitioner undertakes to pay in two instalments of Rs.13,00,000/- each. The first instalment of Rs.13,00,000/- will be paid before executing sureties. With the proof of deposit of Rs.13 lakhs, the petitioner shall execute sureties. After coming out on bail, within 30 days, the petitioner will pay the balance amount of Rs.13,00,000/-.



12. Accordingly, the substantive sentence of Imprisonment imposed on the petitioner is suspended till the disposal of the above appeal with the following conditions:

(i) The petitioner shall deposit a sum of Rs.13,00,000/- [First Installment] to the account of the Revenue Divisional Officer, Tiruppur pursuant to C.C.No.6 of 2017. On such deposit, the petitioner is ordered to be enlarged on bail, on condition that he shall execute a bond for a sum of Rs.10,000/- (Rupees Ten thousand only) with two sureties, each for a like sum to the satisfaction of the trial Court.

(ii) The petitioner shall produce the proof of the first installment at the time of executing sureties to the trial Court.

(iii) The petitioner shall appear before the Deputy Superintendent of Police, Economic Offence Wing, Tiruppur on every Monday and Friday at 10.30 a.m., till the balance amount of Rs.13,00,000/- [second installment] is paid by him within the stipulated period of time. Thereafter, the petitioner to appear before the trial Court on the first working day of every English calendar month at 10.30 a.m., until further orders. After the deposit of the petitioner, the amount can be disbursed to the depositors.



13. It is made clear that it is a conditional order. If there is any violation, this order will automatically stand cancelled and the respondent Police to secure the petitioner for sufferance of the sentence. It is also made clear that no further extension of time will be granted to comply with the above conditions.

14. Post the matter on 28.09.2026 under the caption “For reporting compliance”.

21.08.2026

vv2/jd

To

1. The Special Judge,
Special Court under TNPID Act,
Coimbatore.
2. The Deputy Superintendent of Police,
Economic Offences wing-II,
Coimbatore.
3. The Superintendent of Prison,
Central Prison, Coimbatore.
4. The Public Prosecutor,
Madras High Court.



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M.NIRMAL KUMAR, J.

vv2/jd

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