

Crl.O.P.(MD)Nos.14599, 14692, 12752, 13687 and 14143 of 2026

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

(Criminal Jurisdiction)

Date : 22.07.2026

PRESENT

THE HONOURABLE MR. JUSTICE K. RAJASEKAR

CRL OP(MD). Nos. 14599, 14692, 12752, 13687 and 14143 of 2026

M.Ayyasamy

...Petitioner/A5 in Crl.O.P.(MD).No.14599 of 2026

1.V.Ammaiappan

2.S.Kanagaraj

3.S.Manickam

...Petitioners/A7 to A9 in Crl.O.P.(MD).No.14692 of 2026

Lakshmanan @ Lakshuman

... Petitioner/A6 in Crl.O.P.(MD).No.12752 of 2026

Selvaraj

... Petitioner/A2 in Crl.O.P.(MD).No.13687 of 2026

Palanichamy

... Petitioner/A3 in Crl.O.P.(MD).No.14143 of 2026

Vs

State of Tamil Nadu rep. by

The Inspector of Police,

Economic Offence Wing (EOW),

Virudhunagar District.

(Crime No.2 of 2026) ...Respondent/Complainant in all petitioners

For Petitioners : Mr.C.M.Mari Chelliah Prabhu - for A5

Mr.R.Babu Jaganath – for A7 to A9, A6 & A3

Mr.S.Karthikeyan – for A2

For Respondent : Mr.T.Lenin Kumar

Counsel for State of TN (Crl. Side)



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PETITIONs FOR BAIL and ANTICIPATORY BAIL Under Sec.483 & 482 of BNSS.

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COMMON PRAYER :-

For Bail and Anticipatory Bail in Cr.No. 2 of 2026 on the file of the respondent police.

COMMON ORDER : The Court made the following order :-

The petitioner / Accused No.5, who was arrested and remanded to judicial custody on 15.06.2026 and the petitioners/A7 to A9, who were arrested and remanded to judicial custody on 11.06.2026, for the offences punishable under Sections 406, 420, 120-B of IPC and 3 r/w.21(3), 23 of BUDS Act and Section 5 of TNPID Act, in Crime No.2 of 2026 on the file of the respondent police, seeks bail. The petitioners/Accused Nos.6, 2 and 3, who apprehend arrest at the hands of the respondent for the offences punishable under Sections 406, 420, 120-B of IPC and 3 r/w.21(3), 23 of BUDS Act and Section 5 of TNPID Act, in Crime No.2 of 2026, on the file of the respondent police, seek anticipatory bail.

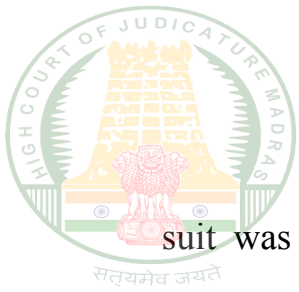
2. The case of the prosecution is that A2, namely Selvaraj, is the Managing Partner of M/s. Sri Selvakumaran Textiles. The other accused, namely A3 to A9, are the partners of the said partnership firm. It is alleged that, by promising high returns, the accused, on behalf of the partnership firm,



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collected deposits from several members of the public. As on today, the default amount payable to the 37 depositors was arrived as Rs.3.82 Crores. Since the deposits were not repaid even after their maturity, complaints were lodged by the victims and the case was registered and during the course of investigation, the respondent police arrested A5, A7, A8 and A9, namely, Ayyasamy, Ammaiappan, Kanagaraj and Manickam, and they are now in judicial custody. The other accused, namely A2 - Selvaraj, A3 - Palanichamy and A6 - Lakshmanan, have approached this Court seeking anticipatory bail apprehending their arrest in Crl.O.P.(MD).Nos.12752, 13687 and 14143 of 2026. A5 and A7 to A9, have approached this Court seeking bail in Crl.O.P. (MD).Nos.14599 & 14692 of 2026.

3. The learned counsel appearing for A7 to A9 submitted that though they are partners of the firm, they have been inducted as partners only in the year 2020, after the demise of their father. They have not actively participated in the day-to-day affairs or business activities of the partnership firm and the entire business was managed by A2 - Selvaraj. It is further submitted that A3 and A6 are also similarly placed and are only silent partners and they have not benefited from any of the transactions. Since they are the partners of the firm, they have been added as accused in this case. He further submitted that already

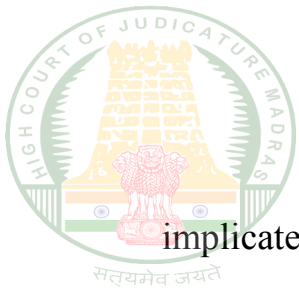


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suit was filed by one of the defacto complainant in O.S.No.61 of 2025 for recovery of money, in which the properties of the partnership firm has been attached. Hence, they are not in position to repay the money. Hence, he prays to grant bail to the petitioners A7 to A9.

4.The learned counsel appearing for A2 - Selvaraj submitted that though the partnership firm has been in existence from the year 2009, the firm was reconstituted in the year 2019. At that point of time, A2 was not a partner and he was inducted as a partner only in the year 2020. Thereafter, by virtue of a resolution and the relevant partnership documents, he became the Managing Partner. It is further submitted that since the properties of the firm have already been attached in the civil suit filed by one of the depositors, he was not in a position to repay the deposits. He is ready to co-operate with the investigation and therefore sought anticipatory bail.

5.Insofar as A5 - Ayyasamy is concerned, the learned counsel submitted that he had already instituted civil suits in O.S.Nos.74 of 2022 and 75 of 2022 seeking dissolution of the partnership, alleging misappropriation and mismanagement of the partnership funds by the other partners. Therefore, he had not participated in the business activities of the firm and has been falsely



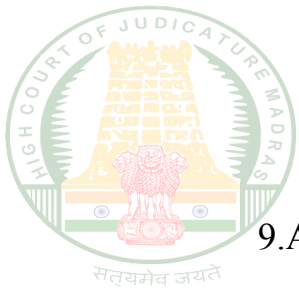
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implicated in the present case as if he was also involved in the alleged misappropriation. Hence, he prayed for grant of regular bail for the A5.

6. Per contra, the learned counsel appearing for the State submitted that all the petitioners are partners of the partnership firm. Huge deposits were collected from the public by assuring high profits. In ensuring the repayment, they had executed promissory notes and also maintained separate manual account books recording the transactions with each depositor. It is not a case of receiving money in the individual capacity of A2 and he has executed all the documents only on behalf of the partnership firm. Therefore, all the partners are jointly responsible for the acts of the Managing Partner.

7.The learned Counsel for the State further submitted that the alleged offences are different from the civil proceedings. It is a clear case of violation of under the provisions of the BUDS Act and the provisions of the Tamil Nadu Protection of Interest of Depositors (in Financial Establishments) Act, 1997. Hence, he opposed both the bail and anticipatory bail petitions.

8. I have carefully considered the rival submissions and perused the materials available on record.



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9. Admittedly, the money was collected by A2 in this case in the name of the partnership firm. Hence, the partners are jointly and severally liable for any liabilities arising out of the partnership firm. In the present case, the allegations are not confined to a mere civil dispute. The prosecution alleges that deposits were illegally collected from the public by promising high profits. The total amount involved is Rs.3.82 Crores, and as on date, no amount has been recovered by the respondent. Though it is contended that one of the depositors has obtained an order of attachment in the civil proceedings, the same pertains only to the civil remedy and cannot absolve the petitioners of their criminal liability under the provisions of the BUSS Act and TNPID Act.

10. Insofar as A5 - Ayyasamy is concerned, he has somehow understood the financial position and misappropriation committed by others in this case and come forward with the civil suit in the year 2022 itself and also come forward for dissolution of the partnership firm. Taking note of the said circumstances, this Court is inclined to grant regular bail to A5, subject to Certain conditions.

11. However, insofar as A2, A3, A6, A7, A8 and A9 are concerned, considering the fact that victims herein are 37 depositors, the defaulted amount



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is Rs.3.82 Crores, the fact that no amount has been recovered so far, and that the investigation is still in progress, this Court is of the considered view that grant of bail and anticipatory bail at this stage would hamper the investigation. Hence, this Court is not inclined to grant bail to A7 to A8 and anticipatory bail to the A2, A3 and A6.

12. Accordingly, the criminal original petitions in Crl.O.P.(MD).Nos. 14692, 12752, 13687 and 14143 of 2026 stands dismissed.

13. In respect of A5 in Crl.O.P.(MD).No.14599 of 2026, I am inclined to grant bail to him subject to certain conditions.

[a] Accordingly, the petitioner/A5 is ordered to be released on bail on condition to execute a bond for a sum of Rs.15,000/- (Rupees Fifteen Thousand only) with two sureties each for a like sum to the satisfaction of the learned **District and Sessions Judge, Special Court under the Tamil Nadu Protection of Interest of Depositors (In Financial Establishments) Act 1997, Madurai**, and on further conditions that:

[b] the petitioner/A5 shall **report before the respondent police, daily at 10.30 a.m., for a period of three weeks, thereafter**



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as and when required for interrogation;

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[c] the petitioner/A5 shall not commit any offence similar to the offence of which he/she is accused, or suspected, or of the commission of which he/she is suspected;

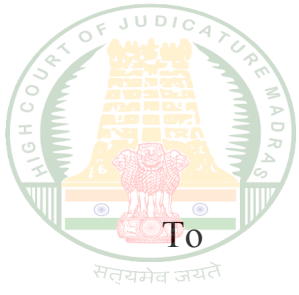
[d] the petitioner/A5 shall not abscond either during investigation or trial;

[e] the petitioner/A5 shall not directly or indirectly make any inducement, threat or promise to any person acquainted with the facts of the case so as to dissuade her from disclosing such facts to the Court or to any police officer or tamper with the evidence;

[f] On breach of any of the aforesaid conditions, the learned Judicial Magistrate/Trial Court is entitled to take appropriate action against the petitioner/A5 in accordance with law as if the conditions have been imposed and the petitioner/A5 released on bail by the learned Magistrate/Trial Court himself as laid down by the Hon'ble Supreme Court in P.K.Shaji vs. State of Kerala [(2005)AIR SCW 51730]. [g] If the accused thereafter absconds, a fresh FIR can be registered under Section 269 BNS.

(K R S J)
22.07.2026

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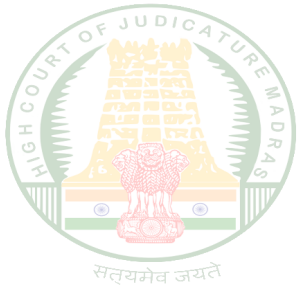
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1.The District and Sessions Judge, Special Court under the Tamil Nadu Protection of Interest of Depositors (In Financial Establishments) Act 1997, Madurai.

2.The Inspector of Police,
Economic Offence Wing (EOW),
Virudhunagar District. (Crime No.2 of 2026)

3.The Superintendent, Central Prison, Madurai.

4.The Additional Public Prosecutor,
Madurai Bench of Madras High Court, Madurai.



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K. RAJASEKAR, J.

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ORDER
IN
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Date : 22.07.2026