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Crl.A.Nos.387, 472, 482 & 552 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 04.08.2025

CORAM:

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

Crl.A.Nos.387, 472, 482 & 552 of 2023
Crl.M.P.Nos.4963, 5867, 5997 & 6879 of 2023

1. P.Murugesan
2. G.Priya

... Appellants in
Crl.A.No.387/2023

1. Lakshmi
2. S.Vimala

... Appellants in
Crl.A.No.472/2023

Deepa

... Appellant in
Crl.A.No.482/2023

G.Sivakumar

... Appellant in
Crl.A.No.552/2023

Vs.

State rep. by
The Inspector of Police,
Economic Offence Wing-II,
Coimbatore.
(Crime No.5 of 2018)

... Respondent in
all Crl.As.

COMMON PRAYER: Criminal Appeals filed under Section 374(2) of Cr.P.C., to set aside order of conviction and sentence passed by the learned Special Judge, Special Court under TNPID Act, Coimbatore in C.C.No.6 of 2022 dated 24.03.2023 and acquit the appellants.



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For Appellant in
Crl.A.No.387 of 2023 : Mr.R.Prabakar

For Appellant in
Crl.A.No.472 of 2023 : Mr.P.Ezhilnilavan

For Appellant in
Crl.A.No.482 of 2023 : Mr.K.Sudhakar

For Appellant in
Crl.A.No.552 of 2023 : Mr.I.Periasamy

For Respondents in
all Crl.As. : Mr.S.Rajakumar
Additional Public Prosecutor

COMMON JUDGMENT

These Criminal Appeals have been filed as against the judgment dated 24.03.2023 passed by the learned Special Judge, Special Court under TNPID Act, Coimbatore, in C.C.No.6 of 2022, thereby convicted the appellants for the offences punishable under Sections 120-B r/w 420, 406 & 420 of IPC and Section 5 of the Tamil Nadu Protection of Interests of Depositors (In Financial Establishments) Act, 1997 (hereinafter referred to as “the TNPID Act”)

2. The case of the prosecution was that the accused A2 to A3, along with other accused, started a financial company called White Collar Associates viz., the first accused company, at Om Sakthi Nagar,



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Ramanathapuram, Coimbatore registered under the Finance Act, 1994,

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and Service Tax Rules. A2 to A7 planned and collected money from the public through fraudulent investment schemes, with the intention of cheating them. They advertised seven different attractive schemes, promising unrealistic returns. As per Scheme-1, if the depositor deposits Rs.1,10,000/-, he will get Rs.15,000/- per month for 15 months and totally he will get Rs.2,25,000/-; in Scheme-2, if the depositor deposits Rs.1,10,000/-, he will get Rs.4,000/- per week for 50 months and totally he will get Rs.2,00,000/-; in Scheme-3, if the depositor deposits Rs.1,10,000/-, he will get Rs.1,80,000/- after 120 days; in Scheme-4, if the depositor deposits Rs.10,50,000/-, he will get Rs.1,80,000/- after 100 days; in Scheme-5, if the depositor deposits Rs 15,000/- or its multiplies, he will get Rs.800/- per week for 30 weeks and he will get Rs.24,000/-; in Scheme-6, if a depositor deposits Rs.6,00,000/-, he will get three cents of land and will be repaid Rs.25,000/- per month for 4 months, and on 5th month, Rs.40,00,000/- will be refunded and otherwise, the land will be returned to them for which Rs.5,00,000/- will be refunded; and in Scheme-7, if the depositor deposits Rs. 20,000/-, he will repay Rs.2,000/- per week for 20 weeks and the depositor will get Rs.40,000/-.



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3. The accused persons also created unique IDs for each depositors using software and provided online statements without any signed documents, intending to cheat and avoid legal accountability. A2 to A7 actively promoted these schemes through advertisements, meetings in different places like Anaikatti, Ooty, Kodaikanal, Allapuzha, Mettupalayam etc., and made false promises to the depositors. They collected money illegally, dishonestly and fraudulently, used it for personal benefits, and failed to return it. During the period between 01.05.2017 to 04.02.2018, they had collected a sum of Rs.63,72,600/- from five depositors and defaulted to repay the said amount. On receipt of the complaint, the respondent registered the FIR in Crime No.5 of 2018 for the offences punishable under Sections 120B, 420 of IPC and Section 5 of the TNPID Act. After completion of investigation, they filed final report and the same was taken cognizance by the trial Court in C.C.No.6 of 2022.

4. In order to bring the charges to home, the prosecution had examined P.W.1 to P.W.10 and marked documents in Ex.P.1 to Ex.P.25. On the side of the accused, they had examined D.W.1 and marked documents in Ex.D.1 to Ex.D.5. The Court document was marked as



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Ex.C.1. On perusal of the oral and documentary evidences, the trial Court found all the accused persons guilty for the offences under Sections 120B r/w.420, 406, 420 of IPC and Section 5 of the TNPID Act and sentenced them as follows :-

S.No.	Conviction	Sentence
1	Section 120-B r/w.420 of IPC (5 counts)	to undergo rigorous imprisonment for a period of seven (7) years and to pay fine of Rs.60,000/- each for each counts, in default to undergo rigorous imprisonment for further period of one and half (1½) years.
2	Section 420 of IPC (5 counts)	to undergo rigorous imprisonment for a period of seven (7) years and to pay fine of Rs.60,000/- each for each counts, in default to undergo rigorous imprisonment for further period of one and half (1½) years.
3	Section 406 of IPC (5 counts)	to undergo rigorous imprisonment for a period of three (3) years and to pay fine of Rs.60,000/- each for each counts, in default to undergo rigorous imprisonment for further period of nine months.
4	Section 5 of TNPID Act (5 counts)	to undergo rigorous imprisonment for a period of ten (10) years and to pay fine of Rs.60,000/- each for each counts, in default to undergo rigorous imprisonment for further period of two (2) years.

The above sentences were ordered to run concurrently. Aggrieved by the same, all the accused persons filed the present appeals.



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5. The learned counsel appearing for the appellants submitted that there are totally five victims and they were settled as detailed hereunder:-

Sl. No.	Name of the Depositors	Deposited amount (in Rs.)	Received amount (in Rs.)	Balance amount (in Rs.)
1	Sampath Kumar (PW.1)	15,00,000	15,00,000	Nil
2	Mani Barathi (PW.2)	37,60,000	4,41,010	33,18,990
3.	Manikandan (PW.3)	2,20,000	94,000	1,26,000
4.	Punitha Rani (PW.4)	18,50,000	17,95,000	55,000
5.	Thimmarayan (PW.5)	5,00,000	Nil	5,00,000

Accordingly, the first victim was examined as P.W.1 and he was settled in full. The second victim was examined as P.W.2 and he is present before this Court.

5.1. He further submitted that the property owned by the second accused was already attached in G.O.M.No.567, Home (Police-XIX) Department dated 01.11.2023. The details of the property as follows :-

(i) Name & address of the owner of the property :- G.Sivakumar, S/o. Gangadaran, 41, Ashok Nagar, Madukkarai Road, Sundarapuram, Coimbatore.



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WEB COPY (ii) Location of the property :- Sri Amman City, Part-I,
Kodampatty Village.

- (iii) Document No.5405/2017 dated 12.12.2017
- (iv) Survey No.390/3A & Plot No.5
- (v) Extent of the property :- 15591/4
- (vi) Guideline value :- Rs.1,05,016/-

The above attachment was also made absolute in O.A.No.17 of 2024 by the learned Special Judge, Special Court under TNPID Act, Coimbatore, by an order dated 22.04.2025 and it is pending for auction proceeding with the competent authority. Apart from that, a sum of Rs.26,90,000/- is already lying along with accrued interest to the credit of C.C.No.6 of 2022, deposited by the accused while they were granted bail and at the time of suspending the sentence by this Court. Now the appellants are ready and willing to settle the entire amount to all the victims. Hence, he prayed to allow all the appeals.

6. Heard the learned counsel appearing on either side and perused the materials placed before this Court.



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7. On perusal of the records, it is revealed that there are totally five victims and the appellants are ready and willing to settle all the victims. The first victim viz., P.W.1 was settled in full. The second victim viz., S.Manibharathi, who was examined as P.W.2, is present before this Court and he deposed that he is ready and willing to receive the balance amount of Rs.33,18,900/-. He is also ready and willing to receive the property which was attached in G.O.M.No.567, Home (Police- XIX) Department dated 01.11.2023 and the same was made absolute in O.A.No.17 of 2024 by an order dated 22.04.2025. On verification of value of the land, it is revealed that the said property is worth about Rs.7,00,000/-. That apart, today the second accused is paying a sum of Rs.6,00,000/- by cash, in favour of P.W.2 directly and the same was received and acknowledged by P.W.2. After adjusting the land cost and the cash of Rs.6,00,00/-, the remaining amount will be Rs.20,18,990/-. Another victim one Manikandan was examined as P.W.3 and the balance amount due to him is Rs.1,26,000/-. Insofar as the fourth victim is concerned, she was examined as P.W.4 and the amount due in her favour is Rs. 55,000/-. As far as the fifth victim viz., P.W.5 is concerned, the balance amount payable to him is Rs.5,00,000/-.



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8. Considering the above facts and circumstances, this Court is

inclined to pass the following directions :-

(i) the competent authority is directed to registered the property which was already attached under G.O.M.No.567, Home (Police- XIX) Department dated 01.11.2023 and the same was made absolute in O.A.No.17 of 2024 by an order dated 22.04.2025, without going for any auction proceedings, in favour of the said Manibarathi, who was examined as P.W.2, forthwith. It is made clear that the stamp duty and other registration fees shall be borne by the said Manibarathi viz., P.W.2.

(ii) The trial Court viz., the learned Special Judge, Special Court under TNPID Act, Coimbatore, is directed to disburse the amount directly to victims from the Court deposits of Rs.26,90,000/- along with accrued interest, as follows, forthwith.

Sl.No.	Name of the victim	Amount to be disbursed
1	Manibharathi	Rs.20,80,990/-
2	Manikandan	Rs.1,26,000/-
3	Punitha Rani	Rs.55,000/-
4	Thimmarayan	Rs.5,00,000/-

The remaining amount if any, in the court deposit, the same may be disbursed to the victims viz., P.W.2 to P.W.5 proportionately.



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9. On compliance of the above directions, the conviction and sentence imposed on all the appellants in judgment dated 24.03.2023 passed by the learned Special Judge, Special Court under TNPID Act, Coimbatore, in C.C.No.6 of 2022, are hereby set aside. All the accused persons are acquitted from all the charges for the offences punishable under Sections 120-B r/w 420, 406 & 420 of IPC and Section 5 of the TNPID Act in C.C.No.6 of 2022. Fine amount, if any paid, shall be refunded to them forthwith. Bail bonds, if any executed, shall stand cancelled.

10. Accordingly, all the Criminal Appeals stand disposed of. Consequently, connected miscellaneous petitions are closed.

04.08.2025

Index : Yes/No
Neutral citation : Yes/No
Speaking/non-speaking order

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To

1. The Special Judge,
Special Court under TNPID Act,
Coimbatore .

2. The Inspector of Police,
Economic Offence Wing-II,
Coimbatore.

3. The Public Prosecutor,
Madras High Court,
Chennai



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G.K.ILANTHIRAIYAN, J.

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