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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 27-04-2026

CORAM

THE HON'BLE MR.JUSTICE K.KUMARESH BABU

CMA No. 1383 of 2010

&

Criminal Appeal No. 86 of 2016

CMA No. 1383 of 2010:-

P.Shanmugam
S/o Palaniappa Chettiar

..Appellant

Vs

1. The District Revenue Officer,
Competent Authority Cum District Revenue
Officer, Coimbatore.
2. P.Shanmuga Finance Company
D.No.174, No.1, Thiyagaraja New Street,
Coimbatore 641 001.
3. Logambal
W/o.P.Shanmugam
4. Sampoorammal (Died)
W/o.Palaniappa Chettiar
5. P.Vadivel
S/o.Palaniappa Chettiar
6. R.Kandasamy
S/o.Marimuthu Chettiar
7. A.Gnanambal
W/o.Arunachalam
8. P.Leelavathi
W/o.Prabhu



9. Balasubramaniam
S/o.Lingapa Gounder

10.C.Maragatha,
W/o.M.Kannapiran

R7 & R8 brought on record as LR's of deceased
fourth respondent.

R9 & R10 impleaded as party respondents *vide*
order of Court dt 18/2/2014 made in
M.P.No.1/2013 in C.M.A.No.1383/2010

..Respondents

Civil Miscellaneous Appeal filed under Section 11 of TNPID Act praying
to set aside the order dated 12-05-2010 passed in O.A.No.36/2008 on the file of
TNPID Court, Coimbatore.

For Appellant : Mr.Ma.P.Thangavel

For Respondents : Mr.N.Muthuvel
Government Advocate [R1]
Not ready in notice [R2, R5 & R7]
No appearance [R3, R6 & R8]
Died [R4]
Mr.P.Tamilavel [R9 & R10]

Criminal Appeal No. 86 of 2016:-

1. Shanmugam Finance
rep. by P.Shanmugam

2. P.Shanmugam

3. S.Logambal

... Appellants/Accused 1 to 3

Vs.



The State rep. by
The Inspector of Police,
BOW II, Coimbatore.

... Respondent/Complainant

P.Vadivel
S/o. (Late) Palaniappa Chettiar

M.Kanthasamy (Late) Marimuthu

... Respondents/Accused 5 and 6

Criminal Appeal filed under Section 374(2) of the Criminal Procedure Code praying to set aside the order of the learned Special Judge, TNPID Court, Coimbatore, dated 16.07.2015 in CC No.52/2008 and allow this appeal.

For Appellants : Mr.Ma.P.Thangavel

For Respondents: Mr.R.Venkatesa Perumal,
Government Advocate (Crl. Side) (R1)

COMMON JUDGMENT

This Civil Miscellaneous Appeal had been filed challenging the order of attachment that had been made of the properties belonging to the appellant, who was charged with the offences under the Tamil Nadu Protection of Interests of Depositors (in Financial Establishments) Act, 1997.

2. The appellant had also been convicted for the said offences and have been handed with a punishment of 2 years imprisonment of which he had already undergone a year. Against which, he had preferred the Criminal Appeal, which was also directed to be taken up along with CMA. Pending these appeals, pursuant to the interim orders passed by this Court, the appellant had deposited



a sum of Rs.24,46,000/- which include the principal and interest as noted by the learned Special Court under TNPID Act, Coimbatore. Seven persons have complained against the appellant for his failure to repay the amounts deposited by them on the promise to repay with higher rate of interest. It is to be noted that some of the complainants had died and in respect of the complainants, 7 of the legal heirs were shown as witnesses with regard to the Fixed Deposit Receipts issued by the appellant together with the amount deposited and the interest that they were entitled to. The following are the witnesses against whose name the amount was deposited and as against each of them, the total amount received by each of them were given:-

S.No.	List of witnesses	Amount Rs.	Interest Rs.	Total Rs.
1.	Krishnaraj	100000	36000	136000
	K.Pushpalatha	100000	36000	136000
2.	L.Balasubramanian	300000	108000	408000
3.	N.Devarajan	150000	72000	222000
4.	Maragatha	200000	48000	248000
	Kannabiran	400000	192000	592000
5.	R.S.Mani	250000	90000	340000
6.	C.Venkatesan	200000	96000	296000
7.	P.Santhanakrishnan	50000	18000	68000
	Total	1750000	696000	2446000

3. In view of the fact that the amounts that were due and payable by the appellant had been deposited into the Court as per the orders of the Court and such amount on deposit with accrued interest stand at Rs.24,82,016/- as on 22.04.2026, the entire amount of deposit made by the depositors had stood



recovered pursuant to the orders of this Court. In such view of the matter, this Court is of the view that the attachment of the properties that is subject matter of challenge in the present CMA need not be continued and the orders of the attachment can be raised.

4. In the trial, the second and third appellants in Criminal Appeal had been convicted and had been imposed with the sentence to undergo two years of rigorous imprisonment plus Rs.5,000/- fine for each of the count and the said imprisonment was to run concurrently. The first appellant in Criminal Appeal was directed to pay a fine of Rs.5,000/-. It is to be noted that the fine amount that had been ordered by the Trial Court, had been paid and taking note of the same, the sentence was also suspended by the Trial Court in its order dated 12.08.2015. They had also suffered incarceration during the period of investigation and trial.

5. Taking into consideration that the appellant have deposited the entire deposit amount together with interest as tabulated above, pursuant to the orders of this Court, this Court is of the view that a lenient punishment could be imposed on the second and third appellants who were responsible for the offence that they had committed. Further taking into the age of the appellants, this Court modifies the punishment that had been imposed on them to the imprisonment that they had already suffered.



6. For the aforesaid reasons, this Civil Miscellaneous Appeal stands disposed of raising the order of attachment and the Criminal Appeal is partly allowed modifying the punishment as indicated above. No order as to costs.

27-04-2026

Index: Yes/No

Speaking/Non-speaking order

Neutral Citation: Yes/No

Maya



To

1. The District Revenue Officer
Competent Authority Cum District Revenue
Officer, Coimbatore.
2. The Special Court under TANPID Act,
Coimbatore.



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CMA No. 1383 of 2010 & CrI.A.No.86 of 2



K.KUMARESH BABU, J.

Maya

**CMA No. 1383 of 2010
and
Criminal Appeal No. 86 of 2016**

Dated : 27-04-2026