IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 19-02-2026

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THE HON'BLE MR.JUSTICE K.RAJASEKAR

CRL OP No. 612 of 2026

1. John Charles
2. S .Sundar Raj

..Petitioner(s)

Vs

The State of Tamil Nadu Rep by Deputy
Superintendent of Police
Economic Offences Wing (Hqrts)
Ashok Nagar, Chennai - 83
(Crime No. 12 of 2025)

..Respondent(s)

Prayer: This Criminal Original Petition is filed under Section 482 of BNSS to enlarge the petitioners on bail in the event of their arrest by the respondent police in connection to the FIR in Crime No. 12 of 2025 on the file of the respondent police.

For Petitioner(s): Mr.B.Vijay
for Ms.RA.Parkavi

For Respondent(s): Ms.J.R.Archana, GA (Crl.Side)

ORDER

The petitioners, who apprehend arrest at the hands of the respondent police for the offences punishable under Sections 420, Section 409 of IPC , Section 21(1), 21(2), 21(3), 23, 25 of BUDS Act in connection with the Cr.No.12 of 2025, seek anticipatory bail.

2. The allegations against the petitioners are that they incorporated a company in the name and style of TFT Blockchain Services Private Limited and were engaged in the collection of money from investors under the guise of cryptocurrency trading. The defacto complainant and three others invested a sum of R.18.45 lakhs with the petitioners and subsequently, under the pretext of cryptocurrency trading, the petitioners cheated the investors by paying only meagre returns. Hence, the present case has been registered.

3. The learned counsel appearing for the petitioners submitted that the petitioners are legitimately engaged in cryptocurrency trading and that investments were made only after entering into proper agreements with the concerned investors. It is further submitted that the provisions of the Banning of Unregulated Deposit Schemes Act (BUDS Act) are not applicable to the present case, since the petitioners have not collected any unregulated deposits. According to the learned counsel, there is no statutory prohibition on cryptocurrency trading and any individual is free to participate in such trading activities. It is further contended that after incorporation of the company, the petitioners were carrying on trading activities through an online platform provided to investors and that the investors themselves participated in trading. He further submit that petitioners are regularly paying their income tax and have been filing their income tax returns periodically. It is also submitted that the investors were aware of the risks involved in cryptocurrency trading and that

losses occurred due to market fluctuations, as the investors failed to trade at an appropriate time. It is further submitted that the defacto complainant has already received a sum of Rs.40,000/- out of the investment of Rs.1,00,000/- and therefore the loss is attributable to trading risks and not an act of cheating. Hence, the learned counsel prayed for grant of anticipatory bail.

4. Per contra, the learned Government Advocate (Crl.Side) appearing for the respondent police reiterated the prosecution case and submitted that preliminary investigation reveals that the petitioner's company had collected huge amounts ranging from Rs.20 to 30 crores from nearly 2000 investors by promising exorbitant returns, thereby attracting the provisions of the BUDS Act. It is further submitted that, in the present case, a sum of Rs.18 lakhs has been collected from four victims and that the investigation is still in progress. The learned Government Advocate also relied on the judgment of the Hon'ble Supreme Court in ***Internet and Mobile Association of India vs. Reserve Bank of India,*** reported in (2020)10 SCC 274 and submitted that cryptocurrency trading has not been fully regulated and opposed for grant of anticipatory bail to the petitioners.

5. I have carefully considered the submissions made on either side and perused the materials available on record. The record reveals that agreement were entered into between the parties, wherein it has been explicitly stated that

investment in cryptocurrency trading involves financial risk and that investors may incur losses. *Prima facie* materials indicates that the investors were aware of such risks while making investments. The allegations against the petitioners are borne out of records.

6. Considering the nature of allegations, the materials available on record, and the stage of investigation, this Court is of the view that custodial interrogation of the petitioners is not necessary. Hence, I am inclined to grant anticipatory bail to the petitioners, subject to following conditions.

7. Accordingly, the petitioners are ordered to be released on bail in the event of arrest or on their appearance, within a period of fifteen (15) days from the date on which the order copy made ready, before the learned ***Special Court under TNPID Act, Chennai*** **o**n condition that each of the petitioner shall execute a bond for a sum of Rs.20,000/- (Rupees Twenty Thousand only) with two sureties each for a like sum to the satisfaction of the learned Magistrate concerned and on further condition that:

[a] the petitioners shall report before the respondent police daily at 10.30 am., for a period three weeks and thereafter as and when required for interrogation.

[b] the petitioners 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 them from disclosing such facts to the Court or to any police officer or tamper with the evidence;

[c] the petitioners shall not abscond either during investigation or trial.

[d] On breach of any of the aforesaid conditions, the learned Magistrate/Trial Court is entitled to take appropriate action against the petitioners in accordance with law as if the conditions have been imposed and the petitioners 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 5560].

[e] If the accused thereafter abscond, a fresh FIR can be registered under Section 269 B.N.S.2023.

19-02-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

JAI
To
1.The State of Tamil Nadu Rep by Deputy Superintendent of Police
Economic Offences Wing (Hqrts)
Ashok Nagar, Chennai – 83.
2. The Special Court under TNPID Act, Chennai
3. The Public Prosecutor,
High Court of Madras.

K.RAJASEKAR, J.

JAI

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