IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 25.11.2025
PRONOUNCED ON : 07.01.2026

CORAM

THE HONOURABLE MR.JUSTICE M.NIRMAL KUMAR

Crl.A.Nos.368, 378, 386 & 403 of 2021

Crl.A.No.368 of 2021

S.Thangaraj ... Appellant

Vs.

The State rep. by
The Inspector of Police,
E.W.O.II, Erode,
Coimbatore District.
Crime No.9 of 2004 ... Respondent

Prayer: Criminal Appeal filed under Section 374(2) of Cr.P.C., to call for the records relating to the judgment dated 22.07.2021 made in C.C.No.48 of 2008 on the file of the learned Special Judge, Special Court under TNPID Act, Coimbatore (Transferred C.C.No.24 of 2005 - Special Court, TNPID Cases, Chennai) and set aside the same.

For Appellant : Mr.N.Manoharan

For Respondent : Mr.Leonard Arul Joseph Selvam
Additional Public Prosecutor

Crl.A.No.378 of 2021

1.Sri Kandiamman Finance,
No.1680/16, Ramanis Regency,
Ramanathapuram,
Coimbatore
Represented by A2 to A5.

2.K.Veerasamy
3.K.Padmavathy ... Appellants

Vs.

The State rep. by
The Inspector of Police,
E.W.O.II,
Coimbatore.
Crime No.9 of 2004 ... Respondent

Prayer: Criminal Appeal filed under Section 374(2) of Cr.P.C., to call for the records relating to the judgment dated 22.07.2021 made in C.C.No.48 of 2008 on the file of the learned Special Judge, Special Court under TNPID Act, Coimbatore (Transferred C.C.No.24 of 2005 – Special Court, TNPID Cases, Chennai) and set aside the same.

For Appellants : Mr.N.Manoharan

For Respondent : Mr.Leonard Arul Joseph Selvam
Additional Public Prosecutor

Crl.A.No.386 of 2021

P.Kanagaraj ... Appellant

Vs.

The State rep. by
The Inspector of Police,
Economic Offences Wing - II
Coimbatore.
Crime No.9 of 2004 ... Respondent

Prayer: Criminal Appeal filed under Section 374(2) of Cr.P.C., to set aside the judgment passed in C.C.No.48 of 2008 by the Special Court under TNPID Act, Coimbatore dated 22.07.2021.

For Appellant	:	Mr.R.Sankarasubbu for Mr.D.Mario Johnson
For Respondent	:	Mr.Leonard Arul Joseph Selvam Additional Public Prosecutor

Crl.A.No.403 of 2021

1.B.Indirani
2.K.Palanisamy
3.M.S.Thilakavathi
4.V.Krishnan
5.V.Rajashanmugam
6.K.Sethupathy ... Appellants

Vs.

The State rep. by
The Inspector of Police,
Economic Offences Wing-Ii
Coimbatore District.
EOW Crime No.9 of 2004 ... Respondent

Prayer: Criminal Appeal filed under Section 374(2) of Cr.P.C., to call for the records in the order and judgment of conviction and sentence dated

22.07.2021 by the learned Special Judge, Special Court under TNPID Act, Coimbatore in C.C.No.48 of 2008, award adequate compensation to the appellants herein.

For Appellants : Mr.R.Baskar

For Respondent : Mr.Leonard Arul Joseph Selvam
Additional Public Prosecutor

COMMON JUDGMENT

Crl.A.No.368 of 2021 filed by A4, Crl.A.No.378 of 2021 filed by A1 to A3 and Crl.A.No.386 of 2021 filed by A5. Simultaneously, the defacto complainant and victims PW1 to PW7 preferred an appeal in Crl.A.No.403 of 2021 seeking to award adequate compensation.

2.The gist of the case is that PW1/defacto complainant lodged a complaint against A1/Sri Kandiamman Finance and its partners/A2 to A5 complaining that A1 Finance Company canvassed and advertised seeking deposits to be made with the finance Company and assured 24% interest. Lured by the same, PW1 made several deposits. In her name, PW1 deposited Rs.1,00,000/- on 15.11.2000, Rs.3,50,000/- on 27.06.2001, Rs.2,00,000/- on 01.04.2002 and Rs.1,00,000/- on 01.08.2002. Further she deposited Rs.3,00,000/- on 27.06.2001 and Rs.1,50,000/- on 18.08.2003 in the name of her husband Baskarasethupathi and Rs.4,00,000/- on 27.06.2001 in the name of her daughter Divyakanakabala, in total, she deposited Rs.16,00,000/-. A2, a partner received the amount and issued seven fixed deposit receipt, at that time, the other partners, A3 to A5 along with him. Till August 2002, interest was paid on the deposits and thereafter, no payments made. The defacto complainant asked for return of the deposit amounts and the matured amount. Despite several requests, the accused failed to pay, hence the principal amount of Rs.16,00,000/- and the interest amount of Rs.8,64,000, totaling Rs.24,64,000 were cheated and not paid. The defacto complainant lodged a complaint with the respondent, who on receipt of the complaint, registered a case in Crime No.9 of 200 under the TNPID Act. Yet another depositor, Rajashanmugam on 06.11.2004 sought for the maturity amount of Rs.3,44,000 for his deposit. On registration of the FIR, it was found that PW1 to PW7 deposited amounts based on the representation and promise of 24% interest. The appellants though paid interest for few months, thereafter failed to pay. On conclusion of investigation, it was found that the appellants/accused defaulted to pay the deposit of Rs.25,30,000/- and defaulted interest payment of Rs.13,27,700/- totaling Rs.38,57,700/- to seven depositors. On conclusion of investigation, charge sheet filed against the accused for the offence under Sections 120(b), 406, 420 IPC and Section 5 of TNPID Act. During trial, PW1 to PW9 examined and Ex.P1 to Ex.P16 marked on the side of the prosecution. On the side of the defence, A5 examined as DW1 and A2 examined as DW2 and marked four documents, Ex.D1 to Ex.D4. On conclusion of trial, the Trial Court finding that the appellants/accused deposited the principal amount only in the year 2021, found them guilty and sentenced A1 to pay a fine of Rs.1,000/- under Section 5 of the TNPID Act and A2 to A5 to pay a fine of Rs.1,000/- each under Section 5 of TNPID Act, in default, to undergo one year simple imprisonment. Against which, the present appeals filed.

3.The defacto complainant and victims filed an appeal for the reason that the deposits in this case were made during the period from 15.11.2000 to 18.08.2003 and it is not fair on the part of the accused to have deposited the principal amount alone and not paid any compensation.

4.The learned counsel for A1 to A3 submitted that the admitted case of the prosecution is that the appellants collected deposit of Rs.25,30,000/-

from PW1 to PW7 and defaulted the interest on such deposits to the tune of Rs.13,27,700/-. A2 deposited the entire due amount of Rs.25,30,000/- is not in dispute. A3/mother of A2 retired from the partnership on 25.02.1997 and A4, another partner retired on 25.07.1997, requisite Form A/Ex.D3 dated 16.04.2004 produced to prove that even prior to the complaint dated 04.11.2004, A3 and A4 retired from the partnership firm. Further, PW1/defacto complainant issued a legal notice on 15.03.2004, marked as exhibit D1, demanding money from A1, for which A1 sent a reply notice dated 12.04.2004 informing entire interest amount had been paid till August 2002 and a criminal colour given to the business transaction. Further, taking advantage of the police complaint, the borrowers of A1 firm stopped making payment to A1 and hence the amount due could not be collected. Ex.D2 is the reply notice sent by A2 on 12.04.2004. In fact, A2 tried his level best to settle the dues and he sold all the jewels of his mother/A3 and raised the principal amount of Rs.25,30,000/- and deposited the same by way of demand draft dated 02.03.2021 before the competent authority DRO, Tiruppur. In this case, PW1 and PW3 admitted the receipt of interest from A1 firm. FIR. was registered by PW9 on 04.11.2004 and there are vital contradiction in the evidence of PW1 and PW9, which falsify the prosecution case. The FIR was sent to the Court with a delay. Though it has been projected that A2 to A5 canvassed for deposits between 1992 and 2002 and promised to pay interest at 24% per annum, there is no iota of evidence to prove the allegation and further, all the seven depositors are from one family, known persons and it is not a deposit collected from the public. The initial understanding was that the amounts would be invested by PW1 to PW7 in A1 Firm and it would be collected in the name of deposit and fixed deposit receipts/Ex.P1 to Ex.P7, Ex.P9, Ex.P10 and Ex.P12 to Ex.P14 issued and further this investment would be further used to give loan to others and earn interest from this deposits and thereafter interest would be paid and later the principal amount which was the business module and understanding. But this fact completely suppressed by PW1 to PW7 and projected a case as though the appellants collected deposits from the public. Hence the appellants cannot be charged for the offence under Section 5 of the TNPID Act.

5.The learned counsel further submitted that A3 and A4 were partners only for few years i.e., from 1996 to 1997 and thereafter they retired, the deposits admittedly made in the year 2000 onwards after retirement of A3 and A4 from A1 Firm. Hence, for the subsequent act of this partnership firm, A3 and A4 cannot be held liable. The prosecution failed to prove that A3 to A5 were responsible for the affairs and management of A1 Firm in any manner. In Ex.D2, the retirement of A3 and A4 clearly informed with details. Receipt of Ex.D2 not denied by the defacto complainant/PW1. The Investigating Officer not considered these aspects and conducted no proper investigation to find out the truth whether at all A3 and A4 were partners during the relevant point of time. As per Section 32(2) of the Partnershipt Act, a retired partner is not liable to third party who deals with the Firm, without knowing that the particular person is a partner. PW1 to PW7 admit that they neither seen the partnership deed nor verified who are the partners in the Firm, to get over the anamoly they claim that A3 to A5 were present when the deposits were made and further A2 informed them that A3 to A5 are partners of A1 Firm, which is without any materials. In fact, Ex.D3 and Ex.D4 proves A3 to A5 retired from the Firm and relevant documents filed before the Registrar of Firms and the same is recorded in the Register of Firms. He further submitted that the deposit documents, namely, Fixed Deposit Receipts will not come under the definition of 'deposit' under Section 2(2) of the TNPID Act, 1997, wheres the contents of the documents would ipso facto prove that they are only 'Loan Document'. Now, PW1 to PW7 having received the principal amount and subsequently the interest for the relevant period, are now hunting for the blood of the appellant.

6.The learned counsel for the appellant/A4 in Crl.A.No.368 of 2021 concurring with the submissions of the learned counsel for A1 to A3, submitted that A4 retired from the partnership firm on 25.02.1997. Admittedly in this case all the deposits are during the year 2000, several years after the retirement of A4 from A1 Firm. A4 hails from Udumalpet Taluk and he is not at all involved in the day-to-day affairs and business of A1 Firm, which was functioning in Coimbatore. A4, hailing from Udumalpet Taluk, is admitted by the depositors PW1 to PW7 in this case and there is a bald allegation made by PW1 to PW7 claiming that they seen A4 in A1 Firm but without any details such as when, where and at what time they had seen or met A4, a blanket and sweeping allegation against A4 cannot be put against A4 and convict him in a criminal case, the prosecution failed to prove the case beyond all reasonable doubt against A4.

7.The learned counsel for the appellant/A5 in Crl.A.No.386 of 2021 concurring with the submission of the learned counsel for A1 to A3 in this case, submitted that the man behind A1 partnership Firm is A2/Veerasamy the entire amount of Rs.25,30,000/- collected from PW1 to PW7 deposited on 23.03.2021 to the competent authority, DRO, Tiruppur. In fact, A2 admit he was the responsible person of A1 Firm and the appellant/A5 retired from A1 Firm on 10.12.2003 and Form V for retirement has been filed before the Registrar of Firms. The Retirement Deed is marked as Ex.P15. He further submitted that though he retired on 10.12.2003, Form V has been filed only on 14.4.2004. Section 63(1) of Partnership Act does not prescribe any limitation as to within which period notice should be filed with the Registrar of Firms. He further submitted that the primary responsibility is on the prosecution to prove that there are necessary averments and evidence to fasten any person vicariously liable for the act of the Firm or Company. In this case, there is no such averment or evidence against the appellant/A5. In support of his contention, the learned counsel for the appellant relied upon the following decisions:

(1)K.P.G.Nair vs. M/s.Jindal Menthol India Ltd reported in ***AIR 2004 SC 4274***

(2)M.M.Sabharwal vs. R.P.Billimoria reported in ***2007 (1) LW(Cri.) 179***

(3)S.Thamayanthi vs. State of Tamil Nadu reported in ***2013 SCC (Mad) 1199***

(4)Prasannadevi vs. State of Tamil Nadu reported in ***2010 (1) MLJ(Cri.) 742.***

8.The learned counsel for the appellants further submitted that in this case, A3/K.Padmavathy died on 04.06.2024 and her death certificate produced. Hence, the case against appellant/A3 stands to abate. Further, they filed additional type of papers showing that the submission of Ex.P15/Form V in which retirement of A3 to A5 recorded. Further, referred to G.O.Ms.1469 Home (Police-XIX) Department dated 17.10.2007, wherein interim order attaching the properties issued. Referring to W.P.No.1273 of 2023, the learned counsel submitted that PW1/defacto complaintant filed a writ petition before this Court seeking disbursement of the sale proceeds including the available amount on the depositors claim for the period 2008 to 2023 as per the order dated 07.02.2023 passed in O.A.No.27 of 2012 by the TNPID court. In the said writ petition, this Court directed the competent authority/DRO to disburse the amount available on hand within a period of one month from the date of receipt of a copy of the order and further interest amount from year 2008 to 2023 to be calculated within a period of three months. Following the order of this Court, notice was issued to PW1 to PW7 on 23.05.2023 by the competent authority for their appearance to collect the deposit amount on 30.05.2023 in Na.Ka.No.10686/E4 dated 23.05.2023. Pursuant to the notice, the depositors appeared before the competent authority and on 30.05.2023, the principal amount of Rs.25,30,000/- which already deposited, disbursed proportionately to PW1 to PW7, the same is recorded in the proceedings dated 09.10.2023. For not paying the interest amount, contempt petition in Cont.P.No.125 of 2024 was filed, wherein a status report filed confirming accrued interest amount has been arrived at Rs.1,05,36,900/- as per the order of the TNPID Court in O.A.No.27 of 2012. On 16.02.2024, it was recorded that A4 in this case is taking steps to deposit this amount and sought some time. Thereafter on 05.03.2014 sought a direction from this Court to deposit it within a period of one week and with a direction to the competent authority to receive the amount. Following the same, the appellant/A4 deposited the amount of Rs.1,05,36,900/- on 09.03.2024. Earlier the principal deposit amount disbursed to the depositors and later the interest. The competent authority/DRO, in the compliance report dated 18.03.2024, given details of payment of the interest amount. Following the same Cont.P.No.125 of 2024 order dated 25.03.2024 directed the competent authority/DRO to take steps to raise the attachment of properties in the manner known to law. One Palanikumar, who is the petitioner in O.A.No.15 of 2013 against the dismissal order dated 07.02.2023 filed C.M.A.No.3092 of 2023, wherein this Court dealt in detail the proceedings in O.A.No.27 of 2012 order passed therein and recording the deposit of payment of principal amount as well as the interest amount and finally directed the Special Court under TNPID Act to raise the attachment. The appellant/A4 filed C.M.A.No.2895 of 2023 challenging the order passed in O.A.No.27 of 2012 dated 07.02.2023. This Court referring to the earlier order passed in C.M.A.No.3092 of 2024 reiterated the raising of attachment. Hence, the principal amount and the interest fully paid and PW1 to PW7/appellants in Crl.A.No.403 of 2021 fully compensated and the same recorded by this Court. Hence, the appeals are to be allowed and the appellants are to be discharged from all charges.

9.The learned Additional Public Prosecutor submitted that in this case PW1 is the defacto complainant who deposited amounts in her name and her relatives' names on the promise made by the appellants/accused in this case. A1 is a partnership Finance Company received deposits from the public on the promise that the deposit would fetch 24% interest to lure the depositors' confidence. Initially, for some period interest paid, but the real intention was to cheat the depositors from the inception of the scheme, thereafter no amount was paid. PW1 to PW7 are the victims who made deposits with the A1 Firm and they have been cheated to the tune of Rs.25,30,000/-. On the complaint of PW1, case registered. A1 is the Firm and A2 to A5 are the partners of the Firm. For the deposit received fixed deposit receipts issued signed by A2, but when the deposits made, A3 to A5 were present in the A1 Firm and confirmed they are partners of A1 Firm and assured deposit amount will be invested and multiplied and the depositors will be paid the principal as well as the interest. At the time of forming of the partnership firm, A1 and A2 to A5 were partners and it was registered with the Registrar of Firms in the year 1996. The amount deposited is not in dispute and delay in payment is also not seriously disputed, but the appellant takes the stand that after registration of the case in the year 2004, A1 Firm could not collect the amounts lend to others, hence interest as well as the principal amount could not be paid which is a lame excuse. Right from the initial period, the appellants were certain not to pay the deposit amount back to the depositors. Hence, cheating at the inception was very much present.

Further, collecting the deposit from public would attract Section 5 of TNPID Act whatever may be the scheme. It is projected as fixed deposit and is a business transaction. The sum and substance of collection of money from PW1 to PW7 is in name of deposit. PW8 on receipt of the complaint, registered a case. Thereafter, PW9 took up investigation, collected documents, recorded the statements of witnesses and filed the charge sheet before the Trial Court. Though the case has been filed in C.C.No.24 of 2005 and the trial was pending, subsequently, the Special Court under TNPID Act came to be formed and the case was transferred to the Special Court, Coimbatore and renumbered as C.C.No.48 of 2008. From the year 2004 until the date of the judgment in the year 2021, the case has been protracted by filing one petition or another before the Trial Court and the High Court. Finally, before the judgment A2 in this case deposited the principal amount alone. On conclusion of trial, the Trial Court finding that the principal amount deposited convicted the appellants but not sentenced them with jail sentence and imposed only fine sentence. Simultaneously the Competent Authority initiated attachment proceedings in G.O.Ms.No.1469 Home (Police-XIX) Department dated 17.10.2007 wherein order of interim attachment of properties passed and thereafter, petition filed in O.A.No.27 of

2013 before the Special Court. Thereafter, W.P.No.11273 of 2023 and Cont.P.No.125 of 2024 filed before this Court by the defacto complainant. The petitioner in O.A.No.15 of 2013 filed C.M.A.No.3092 of 2023 and A4/Thangaraj filed C.M.A.No.2895 of 2023 and this Court passed an order ensuring that the principal and accrued interest to be paid. Finding that the principal amount and interest have been paid, this Court ordered raising of the attachment. The appellants though they might have paid the principal and interest, would not be entitled to acquittal. Hence prayed for dismissal.

10.The learned counsel for the appellants/depositors in Crl.A.No.403 of 2021 filed this appeal for awarding adequate compensation to the appellants/victims in this case. The contention of the appellants is that Sri Kandiamman Finance was registered on 29.0301996. Fixed deposits were received from the victims during the period 24.05.2000 to 18.08.2003. The defacto complainant issued notice to the partners A2 to A5 on 15.03.2004 seeking refund of the entire deposit amount with interest, which was replied on 12.04.2004 but no amount paid. Thereafter, complaint lodged on 04.11.2004. In this case, after investigation, charge sheet filed, initially taken on file in C.C.No.24 of 2005 by the Special Judge under TNPID Act, Chennai and later, it was transferred to the file of the Special Court under TNPID Act and re-numbered as C.C.No.48 of 2008. In this case, PW1 to PW4 were examined before the Trial Court during the period 15.02.2010 and 16.11.2017, PW5 to PW7 on 25.02.2010 and 14.11.2017, PW8/Registrar of Firms was examined on 31.05.2010, PW9/Investigating Officer was examined from 23.07.2010, 09.02.2018 and 04.07.2019. DW1 was examined on 27.08.2019 and 18.09.2019. DW2 was examined on 23.02.2021 and 23.03.2021 and finally, judgment was passed on 22.07.2021. The Trial Court, though found the appellants A1 to A5 guilty under Section 5 of the TNPID Act not sentenced to any Jail sentenced and sentenced them to pay a fine of Rs.1000/- alone. Though it was projected that the accused printed, circulated and advertised their scheme of receiving deposits but the same unable to be produced to show that there was any false assurance and intention to cheat the depositors is the finding of the Trial Court, further the Tiral Court finding principal amount deposited, the Trial Court imposed fine sentence alone. The appellant/accused having filed their appeals against the conviction, but not paid the interest amount as directed in the judgment of the Trial Court. Thereafter, the defacto complainant filed W.P.No.11273 of 2023 seeking disbursement of the principal amount and interest. After the intervention of this Court, the principal amount was disbursed and thereafter the interest amount. He further relied upon the judgment of the Apex Court in the case of ***Ankush Shivaji Gaikwad vs. State of Maharashtra*** reported in ***(2013) 6 SCC 770***, wherein it is held that the occasion to consider the question of awarding compensation would logically arise only after the Court records the conviction of the accused and thus the conviction of the accused to be sustained. He further submitted that aggrieved against the order passed by this Court in Cont.P.No.125 of 2024 dated 25.03.2024 SLP(Civil).No.15162 of 2024 filed and against the order dated 17.04.2024 in C.M.A.No.3092 of 2023 and order dated 07.06.2024 in C.M.A.No.2895 of 2023, SLP(Civil).No.017099-017100 of 2024 have been filed before the Apex Court. Hence prayed for sustaining conviction and for appropriate compensation considering the period of agony, sufferings and loss sustained by the depositors, namely, PW1 to PW7.

11.Considering the submissions made and on perusal of the materials, the case against the appellants is that A1 Sri Kandiamman Finance, a registered partnership firm is doing business transactions and A2 to A5 are the partners of A1 Firm. The A1 firm was registered with the Registrar of

Firms in Sl.No.273/96 on 29.03.1996, at that time, all the appellants were its partners. A3/Padmavathy, mother of A2 and A4/Thangaraj, both partners retired from the partnership firm on 25.02.1997. A5 retired from the partnership firm on 10.12.2003. In this case, there are totally 7 depositors, PW1 to PW7. PW1/Indirani in her name and in the name of her husband, and daughter deposited Rs.16,00,000/-. The admitted position is that at the time of the receipt of deposit, all the Fixed Deposit receipts Ex.P1 to Ex.P7, Ex.P9, Ex.P10 and Ex.P12 to Ex.P14 signed by A2/Veerasamy alone. It is also to be seen that in this case the depositors are all family members and known persons. In this case, though the depositors would claim that at the time of making deposits, apart from A2, A3 to A5 present, but it is a sweeping statement bereft of details of date, time and place without any supporting materials. Admittedly, in this case, there is no material collected to show that the accused printed, circulated or advertised any scheme for receiving deposits but the Fixed Deposit receipts would disclose receipt of the principal amount, date of issue, date of maturity and payment of periodical interest. Thus, it is concluded that the appellants received the amount as deposits. Though a feeble attack made to show that periodical interest paid but after the registration of the case, they were unable to collect money from other lendors and pay the victims in this case, but no evidence or materials produced to substantiate the reason for non-payment of periodical interest and later principal amount. Thus A1 Firm committed default. The reply notice/Ex.D2 confirms the receipt of deposit and promise for payment of 24% interest. In this case, it is to be seen that the defacto complainant issued a notice on 15.03.2004 and thereafter reply notice sent on 12.04.2004. In the said reply notice, it is stated that A3 and A4 retired from the partnership firm and the firm was managed by A2 and A5, later A5 also retired on 10.12.2003. The deed of retirement/Ex.D4 dated 25.02.1997 produced. On perusal of Ex.D4, it is seen that it is a shield created to safeguard A3 to A5. In this case it is seen that A3 and A4 retired on 25.02.1997 and A5 on 10.12.2003, but Form V filed before the registering authority is only on 14.04.2004 which is after the notice Ex.D1 by the defacto complainant and the reply/Ex.D2 dated 12.04.2004. Hence, no credence can be given to this document. It is further seen that in this case, now A3 is no more and the death certificate produced. Hence, the case against A3 stands abated. As regards A4, it is seen from the letter dated 09.03.2004, he admits the deposit of Rs.1,05,36,900/- the interest amount. Thus, it is seen that in this case the principal amount with interest till the date of complaint and thereafter further interest for the period 2008 to 2023 calculated, deposited and paid to the depositors PW1 to PW7 and the same is recorded by the competent authority/DRO.

12.The defacto complainant filed an impleading petition in O.A.No.10 of 2025 which was filed to raise the attachment order. This petition was dismissed, against which C.R.P.No.2045 of 2025 filed before this Court and this Court referring to the earlier orders passed in W.P.No.11273 of 2023, C.M.A.No.2895 of 2023 and C.M.A.No.3092 of 2023, dismissed the same. Now, one thing is certain that the principal amount and the interest all paid to the deposits, the depositors PW1 to PW7 received the amounts. If at all, there is any grievance with regard to the calculation of the period or rate of interest, now it is represented by the defacto complainant that some petitions filed before the Apex Court in this regard. It is to be seen these issues earlier raised and decided by this Court. Hence the grievance of the defacto complainant and the other victims can be addressed depending upon the outcome of the petitions pending before the Apex Court, if any. As regards the conviction of the Trial Court, this court finds no reason to interfere with the conviction by the Trial Court and imposing of fine alone. Further, the appellants/victims seeking adequate further compensation has no merits and hence, the appeal filed by the victims dismissed.

13.Accordingly, the judgment made in C.C.No.48 of 2008 dated 22.07.2021 passed by the learned Special Judge, Special Court under TNPID Act, Coimbatore is confirmed.

14.In the result, all the Criminal Appeals stand dismissed.

07.01.2026

Index : Yes/No
Speaking Order/Non Speaking Order
Neutral Citation: Yes/No
cse

To

1.The Inspector of Police,
E.W.O.II, Erode, Coimbatore District.

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

3.The Public Prosecutor,
High Court, Madras.

M.NIRMAL KUMAR, J.

cse

Pre-delivery judgment made in

Crl.A.Nos.368, 378, 386 & 403 of 2021

07.01.2026

Crl.A.Nos.368, 378, 386 and 403 of 2021

M.NIRMAL KUMAR. J

This matter is posted today before this Court under the caption 'For Clarification' at the instance of the learned counsel appearing for the appellants.

2.The learned counsel for the appellants has brought to the notice of this Court that there is a clarification required in Paragraph Nos.2 and 12 of the Judgment passed by this Court in Crl.A.Nos.368, 378, 386 and 403 of 2021 dated 07.01.2026.

3.Considering the submission made by the learned counsel appearing for the appellants, the paragraph Nos.2 & 12 are clarified as follows:

> “2.The gist of the case is that PW1/defacto complainant lodged a complaint against A1/Sri Kandiamman Finance and its partners/A2 to A5 complaining that A1 Finance Company canvassed and advertised seeking deposits to be made with the finance Company and assured 24% interest. Lured by the same, PW1 made several deposits. In her name, PW1 deposited Rs.1,00,000/- on 15.11.2000, Rs.3,50,000/- on 27.06.2001, Rs.2,00,000/- on 01.04.2002 and Rs.1,00,000/- on 01.08.2002. Further she deposited

Rs.3,00,000/- on 27.06.2001 and Rs.1,50,000/- on 18.08.2003 in the name of her husband Baskarasethupathi and Rs.4,00,000/- on 27.06.2001 in the name of her daughter Divyakanakabala, in total, she deposited Rs.16,00,000/-. A2, a partner received the amount and issued seven fixed deposit receipt, at that time, the other partners, A3 to A5 along with him. Till August 2002, interest was paid on the deposits and thereafter, no payments made. The defacto complainant asked for return of the deposit amounts and the matured amount. Despite several requests, the accused failed to pay, hence the principal amount of Rs.16,00,000/- and the interest amount of Rs.8,64,000, totaling Rs.24,64,000 were cheated and not paid. The defacto complainant lodged a complaint with the respondent, who on receipt of the complaint, registered a case in Crime No.9 of 200 under the TNPID Act. Yet another depositor, Rajashanmugam on 06.11.2004 sought for the maturity amount of Rs.3,44,000 for his deposit. On registration of the FIR, it was found that PW1 to PW7 deposited amounts based on the representation and promise of 24% interest. The appellants though paid interest for few months, thereafter failed to pay. On conclusion of investigation, it was found that the appellants/accused defaulted to pay the deposit of Rs.25,30,000/- and defaulted interest payment of Rs.13,27,700/- totaling Rs.38,57,700/- to seven depositors. On conclusion of investigation, charge sheet filed against the accused for the offence under Sections 120(b), 406, 420 IPC and Section 5 of TNPID Act. During trial, PW1 to PW9 examined and Ex.P1 to Ex.P16 marked on the side of the prosecution. On the side of the defence, A5 examined as DW1 and A2 examined as DW2 and marked four documents, Ex.D1 to Ex.D4. ***On conclusion of trial, the Trial Court finding that the appellants/accused deposited the principal amount only in the year 2021, found them guilty and sentenced A1 Firm to pay a fine of Rs.1,000/- under Section 5 of the TNPID Act. A2 to A5 to pay a fine amount imposed on A1 Firm, in default, to undergo further period of one year Simple Imprisonment. A2 to A5 to undergo three years Simple Imprisonment and to pay a fine of Rs.1,000/- each under Section 5 of TNPID Act, in default to undergo one year Simple Imprisonment. Total fine amount is Rs.5,000/-. Against which, the present appeals filed.***"

"12.The defacto complainant filed an impleading petition in O.A.No.10 of 2025 which was filed to raise the attachment order. This petition was dismissed, against which C.R.P.No.2045 of 2025 filed before this Court and this Court referring to the earlier orders passed in W.P.No.11273 of 2023, C.M.A.No.2895 of 2023 and C.M.A.No.3092 of 2023, dismissed the same. Now, one thing is certain that the principal amount and the interest all paid to the deposits, the depositors PW1 to PW7 received the amounts. If at all, there is any grievance with regard to the calculation of the period or rate of interest, now it is represented by the defacto complainant that some petitions filed before the Apex Court in this regard. It is to be seen these issues earlier raised and decided by this Court. Hence the grievance of the defacto complainant and the other victims can be addressed depending upon the outcome of the petitions pending before the Apex Court, if any. ***As regards the conviction of the Trial Court, this Court finds no reason to interfere with the conviction and the fine imposed by the Trial Court, but set aside the jail sentence of three years imposed against A2 to A5.*** Further, the appellants/victims seeking adequate further compensation has no merits and hence, the appeal filed by the victims dismissed."

4.Registry is directed to correct the order dated 07.01.2026 in Crl.A.Nos.368, 378, 386 and 403 of 2021, as above and issue order copy afresh.

08.01.2026

Index:Yes/No
Internet:Yes/No
mn

M.NIRMAL KUMAR, J.

mn

Crl.A.Nos.368, 378, 386 and 403 of 2021

08.01.2026