IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 20.02.2026

CORAM

THE HONOURABLE Mr. JUSTICE K. RAJASEKAR

Crl.O.P.Nos.26466 & 26476 of 2025
and
Crl.M.P.Nos.17988, 17998,18947, 18952, 20744,
20745, 20754, 20757 of 2025 and
Crl.M.P.No.667 of 2026

Crl.O.P.No.26466/2025:

W.Althaf Thasif ... Petitioner

Vs.

1.State rep. by,
The Inspector of Police,
E.O.W., Thiruvannamalai District.
2.S.Dhanalakshmi
3.G.Raji Ammal
4.D.Baskar
5.L.Nathiya
6.S.Yasmeen
7.R.Gurunathan
8.P.Sheela
9.K.Devi
10.T.Eswari
11.R.Yasodha
12.B.Drakshayani
13.K.Anusuya
14.R.Deepa ... Respondents

PRAYER : Criminal Original Petition filed under Section 528 of Bharatiya Nagarik Suraksha Sanhita, 2023, to set aside the order passed in Crl.M.P.No.341 of 2025 in Crime No.01 of 2024 on the file of the learned Special Judge, Special

Court under TNPID Act, Chennai, dated 12.09.2025.

For Petitioner	:	Mr.T.Gowthaman, Senior Advocate For Mr.M.Mohamed Riyas
For R1	:	Mr.E.Raj Thilak Additional Public Prosecutor
For RR2 to R14	:	Mr.K.Premkumar

Crl.O.P.No.26476/2025:

W.Althaf Thasif ... Petitioner

Vs.

The Deputy Superintendent of Police,
Economic Offence Wing,
Vellore District. ... Respondent

PRAYER : Criminal Original Petition filed under Section 528 of Bharatiya Nagarik Suraksha Sanhita, 2023, to stay the operation of the order passed in Crl.M.P.No.91 of 2025 in Crime No.01 of 2024 on the file of the learned Special Judge, Special Court under TNPID Act, Chennai, dated 12.09.2025, pending disposal of the above petition.

For Petitioner	:	Mr.G.Jeremiah For Mr.M.Mohamed Riyas
For Respondent	:	Mr.E.Raj Thilak, Additional Public Prosecutor

For Impleading Petitioners:

In Crl.M.P.No.20744 & 20745/2025	:	Mr.T.John Samuel
In Crl.M.P.No.18947 & 18952/2025	:	M/s.Anitha Arun Kumar
In Crl.M.P.No.20754 & 20757/2025	:	Mr.J.Joel Nitheesh
In Crl.M.P.No.667/2026	:	Mr.C.Rajaguru

COMMON ORDER

The Criminal Original Petitions in Crl.O.P.Nos.26466 and 26476 of 2025 have been filed by the respondent in Crl.M.P.No.91 of 2025 and the first respondent in Crl.M.P.No.341 of 2025, challenging the common order passed by the Tamil Nadu Protection of Interest of Depositors (in Financial Establishments) (TNPID) Act, 1997, Chennai in Crl.M.P.No.91 of 2025 and Crl.M.P.No.341 of 2025 dated 12.09.2025, whereby, the Trial Court has cancelled the bail granted to him vide order dated 12.02.2024 in Crl.M.P.No.427 of 2024.

2. The petitioner in Crl.M.P.No.91 of 2025 is the Investigating Officer of Crime No.1 of 2024 on the file of the Deputy Superintendent of Police, EOW, Vellore District. The petitioners in Crl.M.P.No.341 of 2025 are the victims of the very same crime number. It is alleged that the petitioner/Althaf Thasif was earlier granted default bail by the Trial Court in Crl.M.P.No.427 of 2024, dated 12.02.2024 with certain conditions, since the same is violated, petitions in Crl.M.P.No.91 of 2025 and Crl.M.P.No.341 of 2025 have been filed seeking cancellation of bail and the same was allowed by an common order dated 12.09.2025 by the learned Special Judge under the Tamil Nadu Protection of Interest of Depositors (in Financial Establishment) Act, 1997. Challenging the cancellation of bail order, the bail petitioner has filed the present petitions seeking to set aside the same.

3. The case of the prosecution is that the petitioners by joining hands with other accused flouted various unregistered chits in the name of APR Groups in and around the areas of Cheyyar, Vandavasi, Mangal, Venpakkam, Kattupakkam and other places. They collected huge amount from the depositors to the tune of more than Rs.100 crores and subsequently failed to return the chit amounts, which resulted in registration of the above crime number and the petitioner/Althaf Thasif was arrested on 11.11.2023. Thereafter, he was granted statutory bail in Crl.M.P.No.427 of 2024, dated 12.02.2024 with certain conditions and thereafter the said condition was modified by an order dated 13.03.2024 in Crl.M.P.No.661 of 2024. Apart from that, another case in Crime No.239 of 2023, on the file of the Pochampalli Police Station has also been registered with regard to the cheating of 59 depositors. Crime No.239 of 2023 and the present case in Crime No.01 of 2024 being investigated by the EOW, Tiruvannamalai, hence there was a delay in concluding the investigation. In the meantime, the petitioner herein was granted default bail. After released on default bail, the petitioner joined hands with his wife have continuously involved in collection of funds and committed similar offences. The list of persons who have cheated subsequently has also been named in the petition.

4. It is alleged that one of the victim namely Rubina W/o. Mahesh in

Crime No.1 of 2024, lodged a subsequent complaint, dated 06.01.2025 stating that the petitioner/Althaf Thasif has approached and demanded her to pay a sum of Rs.61,000/- so that he would give huge return of Rs.5,50,000/- after some period. Accordingly, she has paid the money by way of online payment and subsequently she has been cheated. Similar complaints were also lodged by one Sowkath Ali and Lakshmi, on 06.01.2025 that they have also been asked to pay some amount as a deposit and subsequently they have also been cheated. Apart from that, some of the depositors namely Perumal, Sumithra, Mrs.Kumari, W/o. R.Subramani, Noor Mohammed, S/o. Ziahudeen, Rajeswari, W/o.Sarathy, Aneesh Fathima, W/o. Mohammed Raja, Murugavel S/o. Ranganathan, Asha, W/o. Kali, Thulasi, W/o. Maruthamalai have appeared before the Trial Court in person and submitted that the petitioner/Althaf Thasif has threatened them and also managed to obtain documents as if they have settled the depositors, hence, there is tampering of witnesses. Based on the above facts, the petitions have been filed seeking cancellation of bail to the petitioner/Althaf Thasif.

5. The contentions raised and the facts pleaded above have been disputed by the petitioners herein and submitted that they have not involved in any such subsequent offences and purely on the instigation of the Investigating Officer, a false complaints have been collected from some of the persons. One of the

complaint against the petitioners is that they collected money from the victims namely Roja, Malathi and also petitioners in Crl.M.P.No.341 of 2025 (Petitioners in cancellation of bail petition). Whereas, already a criminal complaint lodged by the said Roja against the petitioner/Althaf Thasif was registered in Crime No.3 of 2025, on the file of the All Women Police Station, Vellore and the same was investigated and found that it is a “mistake of fact”. Hence, the accusation that the petitioners herein once again involved in collection of funds is motivated for the purpose of cancelling the bail of the petitioner/Althaf Thasif. He further submitted that the petitioners did not personally collect any money as alleged by the subsequent complainants.

6. It is further stated that during the pendency of proceedings, the petitioners settled outstanding amounts with certain individuals since it is a case of non-repayment of deposited amount. Hence with a bonafide intention they have made payments to fulfil their promises made by them, and some photographs were taken and the same has been misused as if the petitioners collected money from others. Admittedly, the petitioner/Althaf Thasif was arrested and he was in custody up to the statutory period for filing the final report. However, the respondents have not chosen to file the final report and the

petitioner/Althaf Thasif has availed the statutory bail and complied the conditions. After compliance of the conditions for the substantial period, he filed a separate application for relaxation of bail conditions. Accordingly, the conditions have been modified that the petitioner/Althaf Thasif was directed to appear on every second and fourth week of Monday before the respondent police in Crl.M.P.No.661 of 2024 vide order dated 13.03.2024 in which, he has duly complied the above conditions.

7. The learned counsel for the petitioners further submitted that the majority of the allegations levelled by the victims is that they made payments to the petitioner/Althaf Thasif after his release on statutory bail. These individuals were already claimed to be a victims in the present case and in the earlier cases. That being so, there was no occasion or no need for them to pay additional amounts to the petitioners and the payments have been made voluntarily by them through UPI transactions and admittedly, nowhere the petitioners herein have issued receipts for payments. The manner in which the payments have been made by the alleged new victims clearly revealed that the money was paid for the purpose of creating cause of action/creating grounds for cancelling the bail granted to the petitioners. It is an intentional act on the part of some of the victims by colluding with the police and paid money as if the petitioners have promised that he would pay high returns or interest. All the persons are aware

that the petitioner/Althaf Thasif was arrested, and in custody, and it is the allegation that several crores have been cheated by the petitioners. That being the case, it is a false accusation of paying money, and this accusation is made, for the purpose of detain the petitioner after cancelling the bail. Hence, the learned counsel submitted that the petitioner/Althaf Thasif, who was on statutory bail and so far no final report is filed and if the final report is filed with valid grounds for cancelling the bail, on the basis of gravity of offence, the prosecution can seek cancellation of bail at that point of time. However, by relying on the false allegations and without properly appreciating the above facts the trial Court erroneously accepted the case of the respondent. Consequently the order passed by the trial Court, cancelling of statutory bail granted to the petitioner/Althaf Thasif is not proper. Hence, he prays to allow the present petitions.

8. The learned counsels appearing on behalf of the various victims submitted that it is not a simple case of cheating, it is a case of collecting huge amounts in the name of various attracting schemes by inducing the general public. As of now, the amount involved in this case is more than Rs.100 crores and the investigation in this case is going on and investigation spans over several districts and several victims. It is stated by some of the victims that the

petitioners have collected some money/deposits through one Roja and Malathi, and there are other victims who have paid cash directly to the petitioners herein. Apart from that, witnesses were appeared before the concerned trial Court and stated that the petitioners have threatened them and trying to hamper the investigation and hence, it is a fit case to cancel the bail granted to the petitioner. They further submitted that the investigation of this case is going on and one of the main condition that the petitioner/Althaf Thasif shall not indulge in similar offences whereas, the petitioner joined hands with other accused was involved in similar offence once again, during complying the bail conditions, hence, it is a valid ground for cancelling the bail. He further relied on various receipts alleged to have been issued by the petitioners herein and also some photographs submitted before this Court. Apart from that, several new cases were also registered against the petitioners on the basis of complaint lodged by the victims. Hence, it is a clear case of violations and prays to cancel the bail granted to the petitioner.

9. This Court considered the submissions made on both sides and also perused the materials available on record.

10. While granting statutory bail to the petitioner/Althaf Thasif herein in Crl.M.P.No.427 of 2024 vide order dated 12.02.2024, the Trial Court has

imposed condition No.3 that ***"the petitioner/accused shall not commit any offences similar to the alleged offences in this case"*** and condition No.5 that ***"the petitioner/accused shall not tamper with the evidence and shall not make any inducement, threat or promise to any persons."***

11. The petitioner/Althaf Thasif was arrested on 11.11.2023 in Crime No.613 of 2023 by the Inspector of Police, Cheyyar Police Station, Thiruvannamalai for the alleged offences U/s.406, 420 r/w 4(1), 76(1) of Chit Funds Act, 1982. While the petitioner/Althaf Thasif moved the bail application in Crl.M.P.No.1615 of 2023 before the learned Chief Judicial Magistrate, Thiruvannamalai, the investigation was transferred to the District Crime Branch and offences were altered to U/s. 406, 420, Section 4, 76(1) of Chit Fund Act and Sec.3 r/w 4 of the Prize Chits and Money Circulation Scheme (Banning) Act, 1978 and the said application was dismissed on 28.11.2023. Aggrieved over the above said order, the petitioner/Althaf Thasif preferred a bail application before this Court in Crl.O.P.No.27957 of 2023. During pendency of the investigation, a fresh FIR in Crime No.1 of 2024 was registered for the alleged offences U/s. 120(B), 406, 409, 420, 109 IPC, U/s.4(1) r/w 76(1) of The Chit Funds Act, 1982 Sec.3 r/w 4 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 Sec.21(3), 23, 25 of the BUDS Act, 2019 and

Section 5 of TNPID Act, 1997.

12. The petitioner/Althaf Thasif was under judicial custody and applied for Statutory bail under Section 167(2) of Cr.P.C and the same was considered and statutory bail was granted on 12.02.2024. While granting bail, the Trial Court has recorded that the petitioner/Althaf Thasif was in judicial custody for the past 92 days and no final report has been filed, hence he is entitled for bail. However, the trial Court has chosen to impose certain conditions including the two conditions as stated above. The prosecution contention is that the accused has once again involved in collection of funds, and thereby committing similar offences. This contention is based on the fact that, one of the former associates of the bail petitioner, namely Roja, collected money from some of the victims. However, this Court is unable to subscribe this contention since it is an admitted fact that the said Roja has already filed a criminal case against the bail petitioner, and it is alleged that she is the victim of the harassment from the hands of the petitioner/Althaf Thasif. There was a categorical enmity prevailed between them.

13. That being the case, the defacto complainant claiming that the said Roja collected money on behalf of the petitioner, seems to be a state-orchestrated move for the purpose of initiating vindictive action against the bail

petitioner. It is also further alleged that the bail petitioner and his family members also separately collected money, and for proving the same, they relied on some photographs. On perusal it shows that the bail petitioner, his family members and others holding a tray containing cash and gold and that it has been taken for the purpose of using the same as evidence. But, these images could easily be interpreted in two ways that either private parties handing over the cash and gold jewels to the bail petitioner or the bail petitioner returning them as promised under the scheme. It is the specific case of the bail petitioner that he was returning the cash and jewels, hence the photographs were taken to record this settlement and to use as evidence of repayment. Similarly, though it is also stated that other cases have been registered, and the complainant have paid money but they do not clearly stated that the victims paid money directly to the bail petitioner, after he was released on bail. It is a specific case that the complaints are motivated with intention to detain the bail petitioner by making false averments. They have not able to produce any receipts, except a handwritten notes alleged to have been issued by the bail petitioner.

14. This Court is of the view that the documents and other connected materials produced to show that the bail petitioner has involved in subsequent offence is not substantiated and the Trial Court has not properly appreciated

these facts. Still, the investigation remains incomplete and no final report has been filed. Even if the bail petitioner remanded to judicial custody, he cannot be detained for the very same offence beyond the investigation period. Any alleged violation of bail conditions does not justify detention beyond the mandatory period prescribed under Section 167(2) of the Cr.P.C.

15. In view of the above, this Court is of the view that all the grounds raised herein for cancellation of bail can be re-agitated only after the final report is filed. It is well settled that, if the investigation reveals the commission of a serious offence and a final report is filed, bail granted under Section 167 (2) Cr.P.C., could be cancelled, as held by the Apex Court in ***Rajnikant Jivanlal Vs. Narcotic Control Bureau, (1989) 3 SCC 532; AIR (1990) SC 71***. But it requires filing of the cancellation of bail petition.

16. In the present case, though it is stated that the petitioners have committed very serious offences of misappropriation and cheating the general public to the extent of more than Rs.100 crores, such grounds would be valid only if it raised in cancellation of bail petition filed after completion of investigation before the Trial Court. Hence, I am of the view that the prosecution is at liberty to file a cancellation of bail petition once they filed the

final report in this case. On such filing of the cancellation of bail petition, the Trial Court may consider any valid grounds for cancellation in accordance with the procedures contemplated under Section 437(5) or 439(2) of the Code of Criminal Procedure.

17. Accordingly, the common order of cancellation of bail ordered by the trial Court in Crl.M.P.Nos.91 and 341 of 2025 dated 12.09.2025 is hereby set aside and liberty is granted to the prosecution to file appropriate petition for cancellation of bail as observed in the earlier paragraph. Crl.M.P.Nos.18947, 18952, 20744, 20745, 20754 and 20745 of 2025 and Crl.M.P.No.667 of 2026 have been filed seeking to implead them as proposed respondents in Crl.O.P.Nos.26466 & 26476 of 2025, since they are not party in Crl.M.P.Nos.91 and 341 of 2025 and already arguments were concluded, and orders were passed today, this Court is not inclined to allow the petitions. Hence, these Criminal Miscellaneous petitions stand dismissed.

18. With the above observations, these Criminal Original Petitions stand disposed of. Consequently, the connected miscellaneous petitions in Crl.M.P.Nos. 17988 & 17998 of 2025 stand closed.

20.02.2026

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K.RAJASEKAR,J.
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To

1.The Special Judge, Special Court, TNPID Act, Chennai.

2.The Inspector of Police, E.O.W., Thiruvannamalai District.

3. The Deputy Superintendent of Police,
Economic Offence Wing, Vellore District.
4.The Public Prosecutor, High Court of Madras.

Crl.O.P.Nos.26466 & 26476 of 2025 and
Crl.M.P.Nos.17988, 17998,18947, 18952, 20744,
20745, 20754, 20757 of 2025 and
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