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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 30.10.2026

CORAM

THE HON'BLE MR.JUSTICE N.RAMESH

CRL.O.P.No.30972 of 2026

CNR: {HCMA012566452026}

Maharajan

..Petitioner

Vs

State Rep by The Inspector of Police,
Economic Offences Wing (EOW), Thiruvallur,
Thiruvallur District.
Crime No.3 of 2025.

..Respondent

PRAYER: To enlarge the petitioner/Accused No.9 on bail in C.C.No.40 of 2025 (Crime No.3 of 2025, EOW, Thiruvallur) on the file of the Special Court under the TNPID Act, Chennai and pass such further or other orders as this Court may deem fit and proper in the Circumstances of the case, thus render Justice.

For Petitioner : Mr.P.Muthamizhselvakumar

For Respondent : Mr.M.M.I.Khaleel,
Government Advocate (Crl.side)

ORDER

This is a petition for regular bail under Section 483 of the BNSS. The petitioner is the ninth accused in Crime No.3 of 2025 on the file of the Inspector of Police, Economic Offences Wing, Thiruvallur, registered for offences under Sections 120(B) and 420 of the IPC, Section 5 of the Tamil Nadu Protection of Interests of Depositors (in Financial Establishments) Act, 1997 (the TNPID

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Act) and Sections 3 and 5 of the Banning of Unregulated Deposit Schemes Act, 2019 (the BUDS Act), later altered to Sections 120(B), 409 and 420 of the IPC, Section 5 of the TNPID Act and Sections 3 and 5 read with Sections 21(1), 21(2), 21(3), 23 and 25 of the BUDS Act. The case is now pending as **C.C.No.40 of 2025** on the file of the learned Special Judge under the TNPID Act, Chennai.

2. The case of the prosecution, briefly stated, is this. In 2021 the de facto complainant was drawn by the fifth accused into deposit schemes run in the name of Sree Sreenivasa Trading Floor Private Limited, Sree Sreenivasa Furniture and Metal Mart and Sree Sreenivasa Groups and Finance (A1 to A3), which promised returns of 3% to 10%. He and his wife paid their deposits into the account of the fifth accused and to the PhonePe number of A2, and the returns stopped from May 2024. The case was registered on 16.07.2025. The investigation is said to show that he and 46 other depositors deposited Rs.8,86,63,900/- in all, of which Rs.1,76,27,381/- was returned. The final report was laid on 21.11.2025 against 27 accused, in respect of 28 depositors and a loss of Rs.3,44,05,665/-. Further investigation is said to be in progress as to 18 other depositors.

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3. The petitioner is not named in the first information report. The case against him concerns New Raise Alayam Small Finance Private Limited (A4), a company with its head office at Thiruvannamalai, of which he is said to be a Director. According to the counter affidavit, A4 collected deposits from the public during 2021 and 2022, before A1 to A3 were established; the petitioner, then at its Tirunelveli branch, persuaded the fifth accused to open a branch of A4 at Thiruvallur, placed the fifth and seventh accused in charge of it, encouraged them to collect deposits, and received Rs.1.50 crore of the deposits in his bank account, which he withdrew. He was arrested on 26.03.2026, about four months after the final report was laid, and has been in custody since, for a little over seven months. Nothing placed before me shows whether charges have been framed.

4. Learned counsel for the petitioner made these submissions.

[a] The petitioner is not named in the first information report. The de facto complainant paid only into the account of the fifth accused and to the PhonePe number of A2, and the depositors' documents relied on in the final report are bonds, vouchers and fund cards issued in the name of A3.

[b] The only material for the allegation that Rs.1.50 crore reached the petitioner is the confession of the fifth accused, which is not substantive

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evidence against him, as held in **Haricharan Kurmi v. State of Bihar, AIR 1964 SC 1184**. The final report does not say on what dates, from which accounts or in what amounts the money was sent.

[c] The prosecution's own papers give three different figures for the money said to have reached him: Rs.1.50 crore, Rs.2 crore and Rs.7 crore.

[d] The List of Documents, of 129 items, contains no bank statement of the petitioner or of A4, and no statement of any witness that he paid the petitioner. The calculation sheet annexed to the final report does not attribute any part of the loss to him.

5. The respondent has filed a counter affidavit and the petition is opposed on its lines. The counter describes the petitioner as *"the master mind behind the entire scam"* (paragraph 8(iv)) and relies on three things. The first is the confession of the fifth accused, recorded on his arrest on 25.08.2025, that he sent Rs.1.50 crore to the petitioner's account, and that three depositors, said to be friends of the fifth accused, paid Rs.2 crore directly into the accounts of the petitioner and of A4 through their friends and relatives. The second is the petitioner's own confession on his arrest, that he collected about Rs.7 crore from the public and sent it to members of his family, to the fifteenth accused and to the accounts of A4, and bought 100 sovereigns of jewels for his wife out

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of the deposits. About 28 sovereigns of gold and about 300 grams of silver are said to have been recovered on that confession, and the rest is yet to be recovered. The third is the bank record. The counter states that the accounts of the fifth accused and of the petitioner reflect the transfer, that the petitioner received money from three accounts, and that *"the prosecution is ready to produce such evidence as and when required"* (paragraph 8(v)). It is apprehended that the petitioner, if released, will commit a similar offence, tamper with the evidence and threaten the witnesses.

6. I have considered the rival submissions and perused the material placed before me.

7. The petition does not disclose that the petitioner is an accused in Crime No.7 of 2022 on the file of the Economic Offences Wing, Sivagangai, in which he obtained anticipatory bail from the Madurai Bench of this Court; that fact is recorded in the dismissal order dated 09.09.2026 of trial court, together with the statement of the prosecution there that he had not furnished the sureties. Instead, the petition describes him as a law-abiding citizen. A petitioner who asks this Court to exercise its discretion in his favour is bound to place before it the whole of what bears on that discretion. The omission detracts from the credit of the petition.

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8. Economic offences constitute a class apart and need to be visited with a different approach in the matter of bail; an economic offence having deep-rooted conspiracies and involving huge loss of public funds needs to be viewed seriously, and the Court keeps in mind the nature of the accusation, the evidence in support of it, the severity of the punishment, the character of the accused and the larger interest of the public, as held in **Y.S. Jagan Mohan Reddy v. Central Bureau of Investigation, (2013) 7 SCC 439**. Where people are cheated of their hard-earned money, their economic well-being is itself to be weighed, together with the role of the accused, his antecedents and the exposure to imprisonment for life which Section 409 of the IPC carries, as held in **Rakesh Mittal v. Ajay Pal Gupta @ Sonu Chaudhary, 2026 INSC 161**. The TNPID Act was enacted to give a speedy remedy to innocent depositors defrauded by financial establishments, as held in **K.K. Baskaran v. State of Tamil Nadu, (2011) 3 SCC 793**, and an accusation under it is to be approached with that object in view. The laying of a final report does not by itself entitle an accused to bail. The question remains whether, on the material, the nature of the accusation and the stage of the case, his release is consistent with the interests of justice.

9. The case of the prosecution is not that he is implicated merely because he held a directorship. It is that the Thiruvallur operation began with him: that

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he persuaded the fifth accused to open a branch of A4 at Thiruvallur, placed the fifth and seventh accused in charge of it, encouraged them to collect deposits from the public, and received Rs.1.50 crore of what they collected in his own account. The counter affidavit, sworn by the Investigating Officer, states that it was upon his instruction alone that the deposits were collected, and describes him as the master mind of the scheme (paragraph 8(iv)). The submission that the depositors hold bonds of A3, with which he had nothing to do, does not answer this. On the petitioner's own account of the final report, in paragraph 7 of the petition, the fifth, seventh and eighth accused later carried on the business of A4 under the names of A1 to A3 and collected deposits again from 2021 to 2025. That the petitioner is not named in the first information report is of little weight: the de facto complainant dealt with the fifth accused, and the case against the petitioner rests on what the investigation is said to have disclosed.

10. The petitioner's own disclosure led to the recovery of about 28 sovereigns of gold and about 300 grams of silver; that is a fact discovered in consequence of his confession, within Section 23 of the Bharatiya Sakshya Adhiniyam, 2023. The counter states that he bought about 100 sovereigns of jewels for his wife out of the deposits and that the rest is yet to be recovered. It further states, on oath, that the Investigating Officer obtained the bank records of all the accused, that the accounts of the fifth accused and of the petitioner

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show the transfer, and that money reached the petitioner from three accounts (paragraphs 8(ii) and 8(v)). The submission that the List of Documents contains no such record cannot be tested on this petition, since neither the final report nor the List of Documents is before me, and the counter states that further material will go into the additional final report. The three figures said to be inconsistent are, on their face, three different things: Rs.1.50 crore said to have been sent by the fifth accused to the petitioner; Rs.2 crore said to have been paid by depositors directly into the accounts of the petitioner and of A4; and Rs.7 crore which the petitioner is said to have collected and sent on. Whether the money trail is made out is a matter of evidence. At this stage the question is whether there is prima facie material connecting the petitioner with the depositors' money, and there is.

11. The stage of the case weighs heavily. The investigation is not over as against the petitioner. Further investigation is in progress as to 18 other depositors, and an additional final report is to be filed. The greater part of the jewellery said to have been bought from the deposits is yet to be traced. The petitioner was arrested only on 26.03.2026, and a custody of a little over seven months is not long custody for an accusation which carries imprisonment for life. The general terms in which paragraph 12 of the counter states the apprehension of tampering are supplied with particulars by the record itself: the

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depositors who are said to have paid money directly into the petitioner's account, through their friends and relatives, are witnesses whose evidence goes to the very money said to have reached him. The Sivagangai case is a pending case and not a conviction, but it is a case of the same kind, and it bears directly on the likelihood of repetition.

12. On the counter affidavit the petitioner stands apart from the fifteenth accused and the twelve Business Directors of A4: he alone is said to have brought the fifth accused in, placed him in charge of the branch, and received the deposits in his own account. Considering the nature and magnitude of the accusation, the number of depositors and the sums involved, the role attributed to the petitioner, the stage of the investigation, the pending case against him and the interest of the depositors, I am not persuaded that this is a case for the exercise of discretion in his favour at this stage.

13. In the result, this Criminal Original Petition is dismissed.

30.10.2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
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N.RAMESH, J.

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To

1. The Inspector of Police,
Economic Offences Wing (EOW), Thiruvallur,
Thiruvallur District.

2. The Public Prosecutor, High Court of Madras.

CRL.O.P.No.30972 of 2026

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