

IN THE SPECIAL COURT UNDER THE TAMILNADU PROTECTION OF
INTEREST OF DEPOSITORS (In Financial Establishment) ACT 1997,
MADURAI.

PRESENT: Smt.K.R.Jothi, B.A.,B.L,
Special Judge,
Special Court under TNPID Act Cases,
Madurai.

Thursday, the 27th day of July, 2023

Calender Case No. 04/2022
(CNR No.TNMD1B-000244-2022)

State represented by Deputy
Superintendent of Police,
Economic Offences Wing-II,
Madurai.
Cr.No.05/2021.

... Complainant.

/vs/

1. S. Naveen Diwali Chit Fund,
Gobalipuram, Madurai.
2. Karuppaiah,
S/o. Alagar,
57, Gopalipuram, Vilacheri Main road,
Pasumalai (PO), Madurai.
3. Ganapathiyammal @ Panchu,
W/o. Karuppaiah,
57, Gopalipuram, Vilacheri Main road,
Pasumalai (PO), Madurai.
4. Uma Maheswari,
W/o. Veeraselvam,
57, Gopalipuram, Vilacheri Main road,
Pasumalai (PO), Madurai.
5. Veeraselvam,
S/o. Sonaisamy,
57, Gopalipuram, Vilacheri Main road,
Pasumalai (PO), Madurai.

... Accused.

This case has been coming for final hearing today before this Court, in the presence of Thiru.P.I.Muhamed Ismail, the learned Special Public Prosecutor for the Complainant & Thiru.P.Irulandi & Prakash, the learned Counsel for A1 to A5 and upon hearing the arguments of both side and perusing the records and having stood over till this day for consideration, this Court doth the following,

Judgment

The accused 2 to 5 are the directors of S. Naveen Diwali Chit Fund, Madurai, canvassed the public as if any amount deposited with their company, they would refund the deposit amount at higher rate of interest. By that way, they had canvassed one Rajathi. She attracted with the higher benefits over the returns, had deposited at the rate of Rs.5000/- for a period of 12 months with the above said company. She paid totally a sum of Rs.75,000/-, during the period of 2019. On the attainment of maturity period, she demanded the accused for refund of the amount. But it was not refunded for one or other reason. Later she learnt that more member of people had deposited with their company and the company had committed default to refund them. Thereby the said Rajathi lodged a complaint before the Commissioner of Police, Madurai and the same was registered in Cr.No. 32/2021, u/sec. 406, 420, 506(ii) IPC and sec. 5 of TNPID Act on the file of C2, Subramaniyapuram police station. Later, being it is an Economic offence, it was transferred to the file of E.O.W-II, Madurai and it was taken file as Cr.No.5/2021. On investigation, it was found that the financial company committed the default to a total number of 7 depositors, totally for a tune of Rs.1,60,000/-. Thereby the accused had committed default to the depositors by non-repayment of their deposits. Hence the investigation officer has filed the police report u/sec.173(2) of Cr.P.C., for the offences u/sec.406, 420, 120-B IPC & sec. 5 of TNPID Act and the same was taken cognizance as C.C.No. 04/2022, on the file of this Court.

2). The accused had appeared before this Court on summons and the copies were furnished on them u/s 207 of Cr.P.C. Upon considering and examining the police report and documents and on hearing the both side, this Court is of the opinion that there are grounds for presumption that the accused has committed the offence, which can be adequately tried and punished by this court. Thereby the charges u/sec. 120-B, 406(7 counts), 420 (7 counts) IPC & sec. 5 (7 counts) of TNPID Act were framed and the same were read over and explained to them and they were asked about the charges in compliance of Sec.240 of Cr.P.C. The accused pleaded not guilty and claimed trial. Thereafter the accused had submitted that they are taking steps to compound the offence and had filed petition u/sec. 5(A) of TNPID Act to compound the offence on the file of Competent Authority, Madurai. On following the procedure, the Competent Authority had proceeded u/sec. 5 (A) of TNPID Act.

3). The total number of depositors in the case is 7 and the default liability is Rs.1,60,000/-. On following the procedures, the depositors had been called for. On the appearance of the depositors, they had produced relevant records. Out of the seven depositors, one of the depositor namely Gandhiammal had produced a receipt only for a sum of Rs.11,000/- only. By way of compounding the offence, she accepted to compound the offence for a sum of Rs.11,000/-. By following the procedures, the default liability amount had been refunded to 7 depositors and regarding with them, the case has been compounded as per the following list. To that effect, the Competent Authority has filed the necessary report along with the necessary documents.

Table

LWs	Name of the depositor	Deposit Amount (in Rs.)	Refund if any
1	M.Rajathi	40,000/-	Compounded
2	Ganthiyammal	11,000/-	Compounded

3	Saratha	60,000/-	Compounded
4	Jeyanthi	12,000/-	Compounded
5	Ram Gowri	12,000/-	Compounded
6	K. Usha	12,000/-	Compounded
7	P. Karmegam	12,000/-	Compounded

4). As per the discussion above, there are totally 7 depositors pertained to this case as they made the deposits in the account of the accused and they committed the default in refunding the same as per their scheme. The accused had voluntarily come forward for compounding the offence and on following the procedures, the offence has been compounded regarding with 7 depositors. Thereby the said Report is accepted.

5). At the outset, the offence under Sec. 5 (7counts) of TNPID Act has been compounded properly by the accused under Sec.5(A) of TNPID Act. Further there is no proof for the charges under Sec. 406(7counts), 420(7counts) & 120-B IPC. By compounding the offence under Sec. 5(A) of TNPID Act, no further proceeding shall be continued against the offenders in respect of the offence so compounded as above. By following the procedures as per sec. 320 IPC r/w Sec. 5(A) of TNPID Act, the accused are entitled for discharge from the charges.

In the result, the accused A1 to A5 are discharged u/s 320 r/w sec.5(A) of TNPID Act.

The report filed by the Competent Authority shall form part and parcel of this case records.

- No property for orders. Further, if any attachment over any of the properties of the accused regarding with this case, is ordered to be raised, as no longer required.

- Further a sum of Rs.1000/- available on the account of the concerned Competent Authority regarding this case is ordered to be confiscated to State, as no longer required and the same shall be reported to this Court.

Dictated to stenographer, transcribed by her, corrected and pronounced by me, in open court this the 27th day of July, 2023.

Sd/-K.R.Jothi,
Special Judge,
Special Court under TNPID Act Cases,
Madurai.

ANNEXURE

1.List of prosecution witnesses :- Nil.

II.List of exhibits marked by prosecution :- Nil.

III. List of M.O. marked by prosecution: - Nil.

IV. List of Defence witnesses: Nil.

V. List of exhibits marked by defence :- Nil.

Sd/-K.R.Jothi,
Special Judge,
Special Court under TNPID Act Cases,
Madurai.

Copy to :
The Competent Authority,
Madurai.