

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10-08-2026

CORAM

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

CRL OP No. 21824 of 2026

P.V.Krishnaprasad
S/o.Venkatrao,
A2-7, Panache Elegant Villa,
Navalur Village, Kancheepuram,
Tamil Nadu - 603 103.

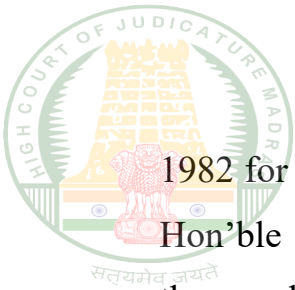
..Petitioner(s)

Vs

1. The Inspector General of Registration
Registrar of Chits,
Santhome High Road,
Mylapore, Chennai.
2. The State Represented by The Deputy
Superintendent of Police,
Economic Offence Wing-II,
Guindy, Chennai - 600 032.
Cr.No.12/2017
3. Thiripura Chits Private Limited
Represented by the Liquidator,
J.Manivannan,
No.8/330, Visalakshi Nagar,
4th Cross Street, Santhoshapuram,
Chennai - 600 071.

..Respondent(s)

Prayer: This Criminal Original Petition filed under Section 528 of Bharatiya
Nagarik Suraksha Sanhita, 2023 / 482 of Cr.P.C, praying to direct the
2nd respondent to hand over a copy of all the materials, statements, information
and other documents pertaining to Thiripura Chits Pvt Ltd to the
3rd Respondent/IRP/Liquidator and consequently direct the
3rd Respondent/IRP/Liquidator to initiate the action under the Chit Funds Act,



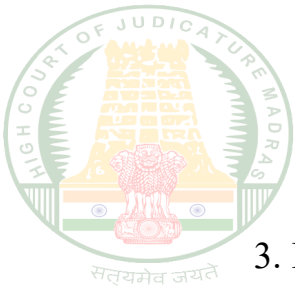
1982 for recovery of all receivables and pass such further or other orders as this Hon'ble Court may deem fit and proper in the circumstances of the case and thus render justice.

For Petitioner(s): Mr.Vikram.S
for Mr. G.Gokul
For Respondent(s): Mr.M.Mohamed Riyaz
Government Advocate (Criminal Side)
for R1 & R2
Mr.Shri MadhanRamu for R3 (Liquidator)

ORDER

The prayer in this Criminal Original Petition is to direct the second respondent to hand over a copy of all the materials, statements, information and other documents pertaining to Thiripura Chits Private Limited to the third Respondent / IRP / Liquidator and consequently to direct the third Respondent / IRP / Liquidator to initiate appropriate action under the Chit Funds Act, 1982, for recovery of all receivables and for passing such further or other orders.

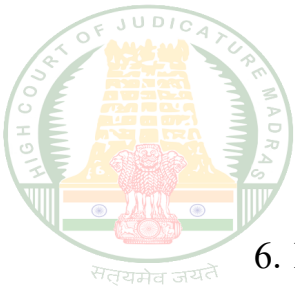
2. Heard Mr.Vikram, learned counsel for the petitioner, Mr.M.Mohamed Riyaz, learned Government Advocate (Criminal Side) appearing for the respondents 1 & 2 and Mr.Madan Ramu, learned counsel appearing for the third respondent / Liquidator.



3. It can be seen that a case in Crime No.12 of 2017 was registered for the offences under Sections 420, 406 and 120 B of IPC and Section 5 of the Tamil Nadu Protection of Interests of Depositors (in Financial Establishments) Act, 1997, against a company known as Thiripura Chits Private Limited, Chennai, and its Directors, namely, Mr.P.V.Krishna Prasad, K.Sumana and others.

4. It is seen that, pursuant to different complaints being lodged in different places, cases were registered in Crime No.2 of 2018 on the file of the Economic Offences Wing, Kancheepuram; Crime No.3 of 2018 on the file of the Economic Offences Wing, Vellore; Crime No.1 of 2018 on the file of the Economic Offences Wing, Villupuram; Crime No.2 of 2018 on the file of the Economic Offences Wing, Karur; and in several other jurisdictions.

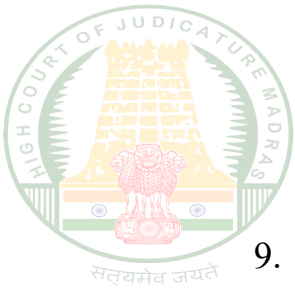
5. It is further seen that, during the course of investigation, it was revealed that a sum of approximately Rs.220.15 crores had been collected from 9,927 depositors and that the company had failed to repay the deposited amounts. Thus, the depositors are alleged to have been cheated. It is submitted on behalf of the Economic Offences Wing that all the complaints are now being consolidated.



6. It is further seen that, by an order passed in Crl.OP.No.25928 of 2018 etc, all the cases registered in the other jurisdictions were transferred to the file of the Economic Offences Wing, Chennai, for conducting a consolidated investigation and filing a final report before the Special Court at Chennai. Thereafter, subsequent complaints were also received by the Economic Offences Wing, Chennai.

7. A consolidated statement was filed in the connected writ proceedings in W.P.No.4731 of 2020. From the said statement, it is seen that, with reference to 13 districts, a total number of 9,927 complaints were received, out of which 6,794 complaints had already been examined. It was found that the amount outstanding was to the tune of Rs.220,14,52,440/-. It is further stated that 3,133 witnesses are yet to be examined.

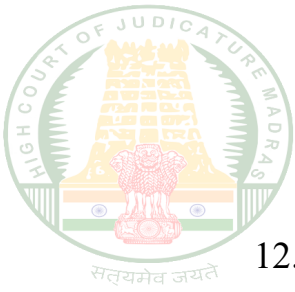
8. Under these circumstances, while the properties of the company were attached, corporate insolvency proceedings were simultaneously initiated against the same corporate entity before the National Company Law Tribunal. By an order passed in M.A.No.697 of 2018 in C.P.No.381/IB/ 2018, the National Company Law Tribunal nullified the attachment made by the Economic Offences Wing, holding that the provisions of the Insolvency and Bankruptcy Code, 2016, would prevail over the provisions of the TNPID Act.



9. Aggrieved by the said order, the matter was challenged before the Division Bench of this Court. By Judgment dated 12.09.2024 in W.P.No.4731 of 2020, the said order was set aside and it was held that the TNPID Act, being a special enactment with reference to the protection and redressal of the grievances of depositors and the prosecution of offences relating thereto, would prevail. Consequently, the order passed by the National Company Law Tribunal was set aside.

10. In view of the above, it is stated that further proceedings for marking the attachment absolute and for bringing the properties for sale are now pending before the Special Court.

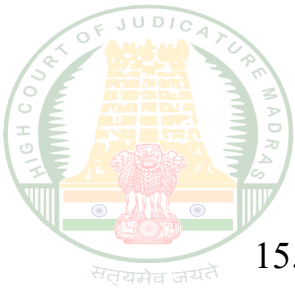
11. The learned counsel appearing for the petitioner submitted that the properties already attached are minimal. The amounts to be realised from the chit subscribers who have not repaid the instalments and the receivables of the company are huge. It is further submitted that the Liquidator, having been appointed under the Insolvency and Bankruptcy Code, is to initiate appropriate proceedings for recovery of the receivables due to the company, under the relevant provision of the Chit Funds Act.



12. The learned counsel further submitted that if appropriate action is taken and the entire outstanding amount is collected, the same would be more than the amount involved in the complaints pending on the file of the Economic Offences Wing.

13. The learned Government Advocate (Criminal Side) would submit that, in the course of investigation, the relevant documents have been collected and the proceedings are being carried on in accordance with the directions issued by the Division bench of this Court. He would further submit that, once the attachment is made absolute and further permission is granted, the competent authority would proceed to sell the properties. It is fairly submitted that the properties attached are only to a minor extent, whereas the claims are much more.

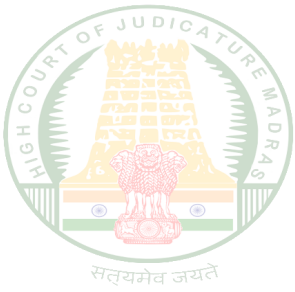
14. The learned counsel appearing on behalf of the Liquidator would submit that, without interfering with the statutory exercise undertaken by the Economic Offences Wing, the Liquidator would take steps to collect all the receivables in accordance with law, as he has stepped into the shoes of the Board of Directors, and the same would be appropriately reported before the national Company law Tribunal (NCLT).



15. I have considered the rival submissions made on either side and perused the materials available on record.

16. As far as the interplay between the Insolvency and Bankruptcy Code (IBC) and the Tamil Nadu protection of Interests of Depositors (in Financial Establishments) Act, 1997 (TNPID Act) is concerned, the Division bench of this Court has already upheld the actions of the Economic Offences Wing. Therefore, the judgments rendered inter-parties would bind all concerned. Accordingly, the Economic Offences Wing can proceed further in accordance with the provisions of the Act.

17. The further relief sought for is with reference to the collection of the receivables. The Liquidator has also got an appropriate forum under the Chit Funds Act to initiate proceedings and recover the amounts due. Subject to the condition that, if any amount comes into the kitty and if the same constitutes proceeds of crime or belongs to the accused company or its directors, the Economic Offences Wing is entitled to take appropriate action in accordance with law. There is nothing illegal in the Liquidator taking expeditious steps to collect the receivables. In fact, it is the duty of the Liquidator, when appointed under the relevant provisions of the IBC, to take appropriate steps to recover of the amounts due to the company.

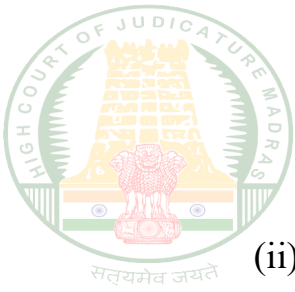


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18. In view thereof, the prayer made in the present Criminal original petition is only to furnish copies of all the materials. When it is stated that the entire materials pertaining to the company have been seized by the Economic Offences Wing in the course of the investigation, I am of the view that one complete set of copies may be furnished to the Liquidator. Thereafter, if the originals of any particular documents are required, the Liquidator may, at that stage, seek appropriate permission from the Special Court, depending upon the status of the case, or approach the appropriate fora for obtaining specific relief with reference to any further documents.

19. In view of the above, this Criminal Original Petition is ordered on the following terms:

(i) The second respondent, namely the Deputy Superintendent of Police, Economic Offences Wing-II, is directed to furnish one complete set of the materials, statements, information and other documents pertaining to Thiripura Chits Private Limited to the third respondent / Liquidator, so as to enable the third respondent / Liquidator to initiate further action under the Chit Funds Act, 1982, or under any other law as may be permissible.



(ii) The cost of photocopying the aforesaid documents shall be borne by the petitioner herein.

(iii) The aforesaid exercise shall be completed within a period of three weeks from the date of receipt of a web copy of this order.

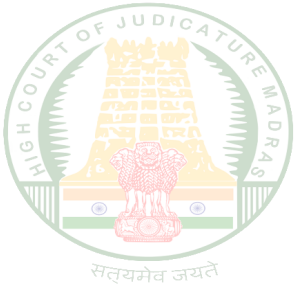
20. Needless to state that the competent authority in the Economic Offences Wing shall also take expeditious steps for realising the amounts and disbursing the same to the depositors at the earliest, in accordance with law.

21. With the above directions, this Criminal Original Petition is allowed.

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Neutral Citation: Yes/No

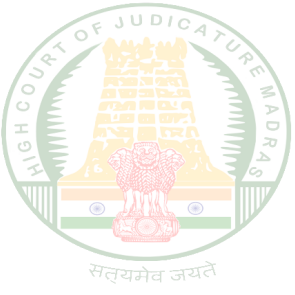
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To

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4th Cross Street, Santhoshapuram,
Chennai - 600 071.
4. The Public Prosecutor,
High Court of Madras.



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D.BHARATHA CHAKRAVARTHY, J.

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