



WEB COPY

W.P.No.474 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 09.01.2025

CORAM :

THE HON'BLE MR.JUSTICE S.M.SUBRAMANIAM
AND
THE HON'BLE MR.JUSTICE M.JOTHIRAMAN

W.P.No.474 of 2025

Kingston Engineering College
represented by its Principal
Chittoor Main Road
Katpadi, Vellore 632 059

.. Petitioner

v.

The Authorised Officer/Assistant Director
Directorate of Enforcement
Chennai Zone
No.16, Greams Road, BSNL Building
Tower II, 3rd Floor, Thousand Lights
Chennai 600 006

.. Respondent

Petition filed under Article 226 of the Constitution of India, praying for issuance of a Writ of Certiorarified Mandamus, calling for the records of the impugned order passed by the respondent dated 04.01.2025 under Section 17(1A) of the Prevention of Money Laundering Act, 2002 against the petitioner and quash the same and consequently direct the respondent to de-seal the server room of the petitioner college within a time frame fixed by



W.P.No.474 of 2025

this Hon'ble Court.

WEB COPY

For Petitioner :: Mr.P.Wilson
Senior Counsel for
M/s P.Wilson Associates

For Respondent :: Mr.N.Ramesh
Special Public Prosecutor for ED

ORDER

(Order of the Court was made by S.M.SUBRAMANIAM,J.)

Under assail is the freezing order dated 04.01.2025 issued by the respondent under Section 17(1A) of the Prevention of Money-laundering Act, 2002 (hereinafter referred to as “the PMLA”) against the petitioner. Further relief sought for is to direct the respondent to de-seal the server room of the petitioner college.

2. The petitioner is Kingston Engineering College, Vellore, which was established in the year 2008, under the banner of Duraimurugan Educational Trust approved by AICTE, New Delhi and affiliated to Anna University. On 03.01.2025, the Enforcement Directorate conducted search and seizure in the



W.P.No.474 of 2025

premises of the petitioner college administered by Mr.D.M.Kathir Anand,
Chairman and Managing Trustee of M/s Duraimurugan Educational Trust.

3. In connection with the search and seizure conducted by the Enforcement Directorate, the learned Senior Counsel Mr.P.Wilson appearing for the petitioner college would submit that the servers were seized, which de-railed the administration of the college to verify the students particulars and details. The search and seizure went till the early morning of 05.01.2025 from 03.01.2025. Since the server room was sealed by the Enforcement Directorate, the college administration is not in a position to verify the students particulars regarding the examination fees paid, attendance, etc. The semester examinations are in progress and therefore such details are necessary for the college administration and thus the present writ petition came to be instituted.

4. The learned Senior Counsel for the petitioner would reiterate that the entire sealing of the server room may not be required, since the college administration co-operated with the authorities of the Enforcement



W.P.No.474 of 2025

Directorate in furnishing the details about the accounts, etc. The staff members available also co-operated with the team of officials from Enforcement Directorate. The writ petition has been filed only for a limited purpose of de-sealing the server room, enabling the college administration to secure the students details for conduct of peaceful examination and to run the affairs of the college administration.

5. Mr.N.Ramesh, learned Special Public Prosecutor raised a preliminary objection regarding the maintainability of the writ petition. He would contend that the writ petition was filed suppressing the 'incident report' served on the college administration by the Enforcement Directorate along with the impugned freezing order dated 04.01.2025. The incident report has not been filed along with the impugned order, despite the fact that it was served along with the freezing order. Thus the writ petitioner has not approached this Court with clean hands. That apart, the server room was already de-sealed by the Enforcement Directorate on 07.01.2025. The authorities have seized two servers, which contained tally data along with some documents and therefore, the seizure will not affect the college



W.P.No.474 of 2025

administration to verify the students details and other particulars about the attendance, examination fees, etc. It is contended that the examinations are going on from December, 2024 onwards. The Enforcement Directorate conducted search and seizure from 3rd January, 2025 to 5th January, 2025. 4th and 5th of January, 2025 are Saturday and Sunday, examinations are going on continuously without any interruption. Therefore the contention raised by the petitioner that the college is unable to get the students particulars is incorrect.

6. We have considered the arguments as advanced between the learned Senior Counsel appearing on behalf of the petitioner and the learned Special Public Prosecutor for the Enforcement Directorate.

7. The impugned freezing order has been issued under Section 17(1A) of the PMLA. After the search and seizure, the authorities have to follow the procedures as contemplated under the PMLA.

8. Issue that arises is, whether the petitioner is entitled for the relief as such sought for in the present writ petition in pursuance of the impugned



W.P.No.474 of 2025

freezing order dated 04.01.2025?

WEB COPY

9. The 'incident report' was enclosed with the impugned freezing order, which was signed by the representatives of the petitioner college. Despite the fact that the 'incident report' was acknowledged by the representatives of the petitioner, the said document has not been enclosed along with the impugned order in the present writ petition. The said 'incident report' served along with the impugned freezing order reveals that during search, the authorities found the server rooms, which were locked. Attempts were made to call the concerned Information Technology person, one Mr.Shivshankar at his mobile number. But he could not be contacted. Hence, further attempts were made and the Enforcement Directorate authorities were unable to get the assistance of the college administration for the purpose of conducting search in the server rooms. Finally the server room was broke open with the help of carpenters in the presence of the college authorities.

10. The learned Special Public Prosecutor would submit that there was absolute non-cooperation on the part of the college administration while



W.P.No.474 of 2025

conducting the search and seizure. After the rooms were opened, the Enforcement Directorate authorities started searching the premises and recovered cash amount of Rs.1,99,77,890/- from accounts office in the ground floor and cash amount of Rs.75,12,200/- from Chairman's room in the second floor. The details regarding the cash was also not explained by the staff members of the college.

11. With reference to the search and seizure, initial panchnama dated 03.01.2025 was prepared from 9.15 A.M., onwards. The search and seizure operations concluded on 05.01.2025. The initial panchnama dated 03.01.2025 was also acknowledged by the representatives of the college administration, but not enclosed in the present writ petition.

12. The next panchnama was prepared on 07.01.2025 by the Enforcement Directorate. This panchnama would be relevant to consider the grievance now raised by the petitioner. The panchnama reveals that there are nine servers lying in the server room. The forensic team found that the server contained various data. Accordingly, two servers containing tally



W.P.No.474 of 2025

data of various companies/individuals were identified by the forensic team.

The panchnama reveals that the authorities, after analyzing the server room and computer systems, considering the report given by the forensic engineer, keeping in view of the sensitiveness of the data, non-availability of the concerned Information Technology professional of M/s Kingston Engineering College, Vellore, **also to avoid any unexpected/unforeseen problem anticipated to be faced by the students in case of seizure of all the servers**, only two servers which contain tally data along with some documents, were seized and annexed to the panchnama Annexure-A. Annexure-A provides the records seized under Section 17(1) of the PMLA from the server room. It is made clear that the Enforcement Directorate authorities have anticipated certain unexpected/unforeseen circumstances which may happen in the event of freezing of all the servers. Therefore, they have restricted their seizure only in respect of the two servers, which contained tally data along with some documents.

13. The learned Special Public Prosecutor would submit that the two



W.P.No.474 of 2025

servers seized contain only accounts details of the college. Therefore, the seizure would not affect the students writing examinations in the petitioner college. All the students details and other details are made available in the college and more so, the server room was de-sealed by the Enforcement Directorate on 07.01.2025.

14. This Court is of the considered opinion that the petitioner college is expected to co-operate with the authorities for conducting the search and seizure as mandated under the provisions of PMLA. In the event of non-cooperation, the authorities are bound to follow further procedures.

15. In the present case, the learned Special Public Prosecutor would submit that from the day of commencement of search and seizure, there was no co-operation on the part of the college administration and the authorities of the Enforcement Directorate were made to wait for about six hours in the college even for opening the locks of the server rooms and other rooms. Finally they broke open the doors with the assistance of the carpenters and in the presence of the college authorities and proceeded with the search and



W.P.No.474 of 2025

seizure. Though the learned Senior Counsel would dispute the said contention of the learned Special Public Prosecutor, this Court is able to form an opinion that the petitioner college has not co-operated with the Enforcement Directorate and relevant findings are made by the authorities in the incident report, initial panchnama dated 03.01.2025 and in the subsequent panchnama dated 07.01.2025. When the fact regarding non-cooperation of the college administration has been recorded in both the panchnamas dated 03.01.2025 and 07.01.2025 and the panchnamas have been acknowledged by the representatives of the college authorities, there is no reason to disbelieve the act of non-cooperation on the part of the petitioner college. This Court is not inclined to make any further observation on these aspects, since the investigation is at a preliminary stage. Thus the respondents shall proceed with the investigation by following the procedures as contemplated under law.

16. For the aforesaid reasons, the writ petition fails and it is dismissed. Consequently, W.M.P.Nos.557, 560 & 561 of 2025 are also dismissed. No costs.



W.P.No.474 of 2025

WEB COPY

Index : yes

Neutral citation : yes

(S.M.S.,J.) (M.J.R.,J.)

09.01.2025

SS

To

1. The Authorised Officer/Assistant Director
Directorate of Enforcement
Chennai Zone
No.16, Greams Road, BSNL Building
Tower II, 3rd Floor, Thousand Lights
Chennai 600 006
2. The Special Public Prosecutor for ED cases
High Court, Madras



WEB COPY



W.P.No.474 of 2025

S.M.SUBRAMANIAM,J.

AND

M.JOTHIRAMAN,J.

SS

W.P.No.474 of 2025

09.01.2025