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W.P.No.27417 of 2005

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated :25.09.2025

CORAM

THE HONOURABLE Mr. JUSTICE M.DHANDAPANI

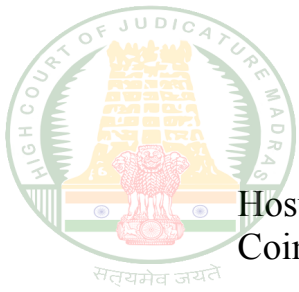
W.P.No.27417 of 2005
and WMP.No.29836 of 2005

M/s.Life Excel Educational Foundation
Private Limited
Represented by its Managing Director
Mr.K.Natesan
39/2542 C, Govind, M.G.Road
Ernakulam
Kerala – 682 016.

... Petitioner

Vs

- 1.The Union of India
Represented by its Secretary
to Government
Ministry of Finance
New Delhi.
- 2.The Chief Secretary to the
Government of Tamil Nadu
Secretariat, Fort St.George,
Chennai – 600 009.
- 3.The Director General of Police
Kamarajar Salai, Mylapore
Chennai – 600 004.
- 4.The Commissioner of Police



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Hosur Treasury Road
Coimbatore – 641 001.

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5. The Commissioner of Police
Vincent Building
Cherry Road
Salem – 636 007.

... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Declaration declaring that the activities of the petitioner in marketing its consumer goods and selling the same through its distributors by using the network/referral/multi-level marketing system or other conventional means, such as, shops and supermarkets, is legal and not in contravention of the provisions of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978, and consequently forbear the respondents from in any manner by themselves or their subordinates or agents or men from in any manner interfering with the lawful business activities of the petitioner by either freezing of its accounts or interfering in the conduct of the seminars and promotional meetings held for the distributors and prospective distributors.

For Petitioner : Mr.S.Rajasekar

For Respondents : Mr.V.J.Arul Raj,
Senior Standing Counsel for R1
Mr.A.M.Ayyadurai
Government Advocate for R2
Mr.S.Balaji
Government Advocate [Crl.Side] for R3 to R5

ORDER



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The petitioner-company who is involved in the business of promotion of educational schemes, computer education, professional education, internet based education and training etc., intends to sell its goods to the distributors by using the network multi-level marketing system. The petitioner has approached this Court seeking a writ of declaration, to declare that their activities are legal and not in contravention of the provisions of Prize Chits and Money Circulation Schemes (banning) Act, 1978.

2. In reply, the learned counsel appearing for the respondents would submit that in terms of the provisions of the Act, the business run by the petitioner is not an authorised one, and therefore, prays for the dismissal of the writ petition.

3. Heard the learned counsel for the petitioner and the learned counsel appearing for the respondents.

4. Though the petitioner claims its business to be a legal one, however, such an anticipatory mandamus, sought by the petitioner in the present writ petition, cannot be entertained. However, if any action is taken as against the

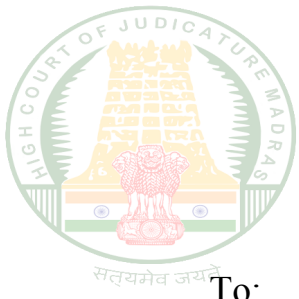


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petitioner by the respondents, then the remedy available to the petitioner is to challenge the subsequent action. Therefore, the relief prayed for in the writ petition, is an impermissible one, and accordingly, the writ petition is dismissed. On the other hand, if the business run by the petitioner is found to be illegal as alleged by the respondents, the respondents are entitled to take action against the petitioner and liberty is granted to the petitioner, to challenge the same before the appropriate forum in the manner known to law. No costs. Consequently, connected miscellaneous petition is closed.

25.09.2025

Index : Yes / No
Speaking order : Yes / No
Neutral Citation : Yes / No
ds



W.P.No.27417 of 2003

To:
WEB COPY

- 1.The Secretary to Government
Union of India
Ministry of Finance
New Delhi.
- 2.The Chief Secretary to the
Government of Tamil Nadu
Secretariat, Fort St.George,
Chennai – 600 009.
- 3.The Director General of Police
Kamarajar Salai, Mylapore
Chennai – 600 004.
- 4.The Commissioner of Police
Hosur Treasury Road
Coimbatore – 641 001.
- 5.The Commissioner of Police
Vincent Building
Cherry Road
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M.DHANDAPANI,J.,

ds

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