

WP(MD)No.11092 of 2024

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED : 16.05.2025

CORAM:

THE HONOURABLE MR.JUSTICE **B.PUGALENDHI**

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Muthukumaran

: Petitioner

Vs.

1.The Additional Director General of Police,
Economic Offence Wing,
Chennai.

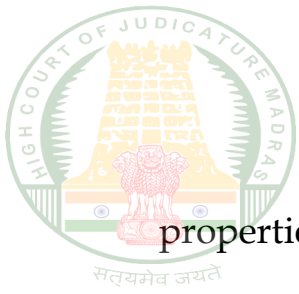
2.The Superintendent of Police,
Economic Offence Wing,
Chennai.

3.The Deputy Superintendent of Police,
Economic Offence Wing,
Madurai.

4.The Inspector of Police,
Economic Offence Wing,
Madurai.

: Respondents

PRAYER: Petition filed under Article 226 of the Constitution of India seeking issuance of a Writ of Mandamus directing the respondents 2 to 4 to take effective steps to attach and publish Government Order regarding the



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properties of the accused persons in Crime No.3 of 2023 on the file of the third respondent Police, based on the petitioner's representation dated 30.03.2024.

For Petitioner : Mr.K.Rajeshwaran

For Respondents: Mr.T.Senthil Kumar
Additional Public Prosecutor

ORDER

The petitioner is an IT Professional. He is also a victim, who has invested money and got cheated by M/s.Neo Max Properties Pvt Ltd and its sister concern, M/s.Tetra Global Properties Pvt Ltd. A criminal case has been registered as against the Company and its Directors in Crime NO.3 of 2023 on the file of the EOW, Madurai and is pending investigation.

2.According to the petitioner, after the registration of the criminal case, the Directors of the Company are executing sale deeds in respect of certain properties, as under:-

i) Registered sale deed dated 21.10.2023 in Doc.No.256/2023, in respect of the properties in R.S.No.201/4B, 7205/5A in Keezhakurichi



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Village, Thiruverumbur Taluk, Trichy District, for a sale consideration of

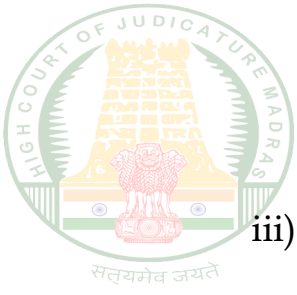
Rs.2,55,00,000/-.

ii) Registered sale deed dated 18.01.2024 in Doc.No.256/2024, in respect of the properties in S.No.194/1A1, 194/1A2 situated in Air View City, for a sale consideration of Rs.1,87,50,000/-.

3.It is the further grievance of the petitioner that the lands originally belonged to the sister concerns of M/s.Neo Max Properties Pvt Ltd., namely, M/s.Ventura Developers, M/s.Morai City, M/s.Transco Properties, M/s.Biosco Properties, M/s.Amaze Properties and its Directors have not been identified and attached. Those properties are in

i) S.Nos.197/116, 197/119D, 197/119F, 119/1/12B, 119/1/13B, 192/10, 192/11, 192/12, 192/13, 192/14, 198/1, 199/C2, 199/2D1A, 119/2D1B, 119/2D2, 200/1,2,3,4,5,6,7,8,8C, 193/10A, 193/3C, 197/1, 197/119E, 197/1G1, 195/3, 196/1, 196/2B, 196/2B2, 196/3A, 205/5A, 205/2B, 201/2B, 206/4B, 207/4, 6D, 194/1A1, 1A2, 197 of Keezhakurichi Village, Trichy District

ii) S.Nos.2/5A2, 2/5A3 of Valayankulam Village, Madurai District



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iii) S.Nos.219/10B, 219/12, 219/9A, 219/13, 219/19, 220/2, 220/3B,

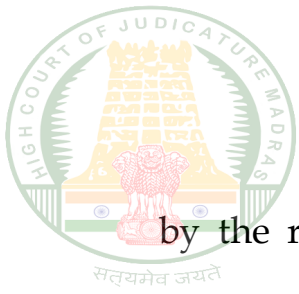
220/4, 220/7B, 217/11A2 of Valayankulam Village, Madurai District.

Therefore, the petitioner has made a representation to the respondents to attach the above properties. Alleging that no action has been taken on his representation, the petitioner has filed this writ petition.

4.This Court entertained the writ petition and also directed the respondents to offer their explanations to this writ petition.

5.Learned Additional Public Prosecutor, on instructions, submitted that the writ petition is filed by the petitioner at the instance of the accused, in order to delay the process of investigation.

6.However, there is no whisper as to the allegations made by the petitioner and as to the status of the properties mentioned in the petition. Strangely, the petitioner, who has filed this writ petition and prosecuted the same, has made a request to withdraw the writ petition. This Court did not permit the petitioner to withdraw the writ petition on the objections raised



by the respondents Police that this petition is a motivated one, filed to delay the process of investigation at the behest of the accused. Therefore, this Court directed the petitioner to file an affidavit as to the reasons for withdrawing the writ petition.

7. Accordingly, the petitioner has filed an affidavit as under:-

"2. I state that I have filed the case against Neomax Properties Private Limited and I have filed a case for an attachment of Neomax properties supporting the FIR 3/2023. I am a victim in the investor section and aggrieved customer and the defaulter in paying my loans and EMI's, I filed this case to attach properties and get swift settlement hoping the case filing will give me a solution, but till now I have not received any remedy, my health condition and my mind has been worsen since I opened this case. I state that due to the stress caused by the above issues I have been diagnosed with Hypoglycemic faintings. So, my family is also upset because of the health issues and my condition.

3. I state that I am working as a senior manager in Human Resources in a software company situated at Chennai and due to the above issues, I am unable to concentrate on my daily works and activities and I have no peace and mind due to this. Kindly consider my prayer and give my cognizance and salvation to withdraw my case. I state that I leave it to this Hon'ble Court and investigation officers to



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find and attach the properties. I state that my plea is I should not be a reason for making the delay in settlements for other investors. I please this Hon'ble Court to consider my withdrawal of this petition and I will abide by the orders passed by the Hon'ble Court."

8.The Tamil Nadu Protection of Interests of Depositors (TANPID) Act, 1997, was enacted to regulate financial establishments that were exploiting depositors by promising high returns and subsequently defaulting on repayments, leading to widespread public distress. Many such entities had emerged in Tamil Nadu, targeting middle-class and poor investors often leaving them without any effective recourse, leading to societal and economic suffering of the common public. To address this crisis, the government introduced the legislation in public interest to protect depositors' rights. The Economic Offences Wing in the State of Tamil Nadu started functioning with effect from 01.01.2000.

9.As held in *Thiru Muruga Finance and Others v. State Of Tamil Nadu* [AIR 2000 MAD 137], the very essence of the Act is to ameliorate



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thousands of depositors from the clutches of the unincorporated trading establishments and to provide for speedy recovery of the matured/defaulted amount.

10. In *Mrs. S. Bagavathy v. State of Tamil Nadu* [AIR 2007 (NOC) 1147 MAD], the Full Bench of the Madras High Court noted that the victim depositors mostly belong to the lower and middle class and includes senior citizens, widows, pensioners, retired government officials and the disabled, who were lured by unsustainable promises of high rates of interest. The Court expressed hope that vigorous enforcement of the legislation would yield fruits to the longing depositors. However, this hope has not materialised and the implementation of this welfare legislation continues to remain in slumber.

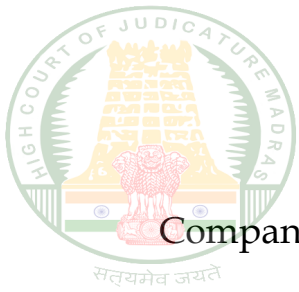
11. Affirming the above principles, the Hon'ble Supreme Court in *K.K. Baskaran vs State Rep By Its Secretary* [(2011) 3 SCC 793] observed that conventional legal proceedings incurring huge expenses of court fees,



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advocates' fees, apart from other inconveniences involved would not have made it possible for the depositors to recover their money. Therefore, the Act envisions strong steps to enable speedy recovery of the depositors' money.

12.It appears that the Officers of the Economic Offences Wing are under the impression that they are supposed to act / prosecute only after a case has been reported before them. They have to understand that they are also liable to prevent such offences. If any Company is offering interest above the rate of interest prescribed by the Reserve Bank of India, it is the duty of the Economic Offences Wing to ascertain from the Company as to whether they have any registration or authority to collect the deposits and as to whether they are having means to give such higher returns. Though every month, such types of cases are reported in the daily newspapers, the greedy people are also depositing money without ascertaining whether the Companies are genuine or not. Neither the Government nor the Police are viewing in this aspect and the people like the petitioners are lured by such



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Companies and the people are depositing the amount that they may get higher returns, however, ends up waiting for getting at least their deposited amount.

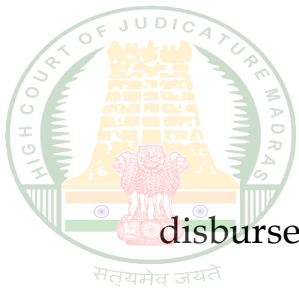
13.By the TNPID Act, Special Courts have been constituted to deal with the offences of such nature. Provisions have been made to seize the properties and bank accounts of the accused and to realize the amount. Though this Act is in existence from the year 1997, very few people have benefitted out of this Act and got their money back. It appears that mainly because of the outdated procedures, not matching with the present technological age, delay occurs in attachment of properties. Most of the victims, like the petitioner, are waiting with a hope that at one point of time, they will get their money back.

14.To be noted, the Economic Offences Wing is established by the Government not only to prosecute the offenders, but also to ensure that the amount cheated by the accused are appropriated and disbursed to the



victims. If the Government is satisfied that a financial establishment is not likely to return the deposits or to make the payment of interest, in order to protect the interests of the depositors of such financial establishment, the Government may pass an order of interim attachment attaching the money or other properties said to have been procured either in the name of the financial establishment or in the name of any other person from and out of the deposits collected by the financial institution, as per the provision u/s.3 of the TNPID Act. The ad-interim order of attachment passed by the Government is to be made absolute by the Special Court constituted under the TNPID Act. The Competent Authority appointed u/s.4 of the Act shall apply within 30 days to the Special Court for making the ad-interim order of attachment absolute and he may ask for a direction to sell the properties so attached by public auction and realize the sale proceeds.

15.The mere registration of an FIR alone would not serve any purpose. The object of TNPID Act is to ensure that the victims got back their money. But, the data, which is available as provided by the Economic Offences Wing, discloses that not even 10% of the amount has been



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disbursed to the victims. The Government is having a moral responsibility to ensure that the victims got back their money.

16.This Court is not satisfied with the manner in which this petition has been responded by the respondents without even pointing out whether the properties mentioned are crime properties or not. They have simply stated that this petition itself is a motivated one. Be that as it may, the respondents shall look into the allegations of this petitioner also, find out whether they are crime properties and if so, take appropriate action to bring those properties under attachment as well.

With the above observations and directions, this criminal original petition stands disposed of.

Internet : Yes
gk

16.05.2025



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- 2.The Superintendent of Police,
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- 3.The Deputy Superintendent of Police,
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- 4.The Inspector of Police,
Economic Offence Wing,
Madurai.
- 5.The Additional Public Prosecutor,
Madurai Bench of Madras High Court,
Madurai.



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