



Crl.O.P.(MD)No.16570 of 2025

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 27.11.2025

CORAM

THE HONOURABLE MR.JUSTICE SUNDER MOHAN

Crl.O.P.(MD).No.16570 of 2025

and

Crl.M.P(MD) Nos.13483 and 13479 of 2025

1.Catherine Inbamalar

2.C.Pounraj

... Petitioners/Accused 15 and 16

Vs.

1.The State of Tamilnadu,
Rep. by the Inspector of Police,
Economic Offences Wing,
Thoothukudi District.
Crime No.1/2024.

...1st Respondent/Complainant

2.R.Varatharajan,
The Deputy Registrar Housing Incharge,
No.71B, Tiruchendur Road,
Palayamkottai,
Tirunelveli 627 002.

...2nd Respondent/Defacto Complainant

3.The Deputy Registrar,
Housing Incharge,
Tirunelveli,
(R3 is *Suo Motu* impleaded as Per Order of this
Court, dated 30.10.2025 in Crl.Op(MD).16570/2025)

... 3rd Respondent



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Prayer: Criminal Original Petition is filed under Section 482 of Cr.P.C., to call for the entire records pertaining to the case in C.C.No.2499 of 2025 pending on the file of the learned Judicial Magistrate No.II, Tirunelveli and quash the same as against the petitioner.

For Petitioner : Mr.Anand.R

For R1 : Mr.R.Meenakshi Sundaram
Additional Public Prosecutor

For R2 : No appearance

ORDER

This Criminal Original Petition has been filed to quash the final report in C.C.No.2499 of 2025 pending on the file of the learned Judicial Magistrate No.II, Tirunelveli, filed for the offences punishable under Sections 408, 409, 420, 467, 468, 471, 477A, 34, 204, 120B and 109 of IPC.

2. The gist of the allegation in the impugned final report is that a Society, by the name, 'Tamil Nadu Electricity Board Employees Co-operative Housing Society Limited', was registered on 21.04.1982; that the object of the Society was to construct houses and to give loan to its members for purchasing land and



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for constructing houses; that in the year 2018, the Society was liquidated; that the first accused, namely Masoothu, was appointed as official liquidator on 31.03.2010; that there were certain lands belonging to the Society meant for sale to its members; that the first accused had sold the lands to persons, who were not members of the Society, by creating false receipts as if they had paid the membership fee; that he also stated so in the sale deed; that after obtaining the sale consideration from those persons, instead of crediting the said sum into the account of the Society, he had misappropriated the said sum; that the petitioners are two such persons to whom, the lands were sold; and that both of them are Teachers and knowing fully well that they were not members of the Housing Society, they had also purchased the property and thereby entered into conspiracy with the first accused and thus committed the aforesaid offences.

3. The learned counsel for the petitioner would submit that the petitioners, though were not the members of the Society, were not aware of the consequences and were under the bonafide impression that since the land is being sold by the Society through its liquidator, there would be no issues; that they had paid the entire sale consideration and even, according to the prosecution, they had not gained wrongfully by execution of the documents;



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that after coming to know of the alleged fraud said to have been committed by the first accused and the loss caused to the Society, both the petitioners have re-conveyed the property to the Society. He would also point out to the statement of the witnesses, who would confirm that these petitioners paid the sale consideration mentioned in the sale to the first accused, who misappropriated the same.

4. The learned Additional Public Prosecutor, per contra, would submit that the petitioners are Teachers and well educated; that there are receipts in their name making it appear that they had paid subscription fees for the Society; that there are averments in the Sale Deed to suggest that they are members of the Society; that therefore, it cannot be said that they are innocent purchasers; and that the question as to whether they were innocent purchasers or knowingly purchased the property by conspiring with the first accused cannot be adjudicated in a quash petition. He would further submit that the subsequent cancellation of sale deeds would not exonerate them from the offences and at best, would be a mitigating factor while awarding sentence and opposed the prayer for quashing the impugned final report.

5. It is not in dispute that the petitioners are not the members of the



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Society and they were not employed in the Tamil Nadu Electricity Board at any point of time in any capacity. The petitioners are Teachers. Therefore, the petitioners cannot claim ignorance of the recitals in the Sale Deed. But the petitioners had paid the entire sale consideration mentioned in the sale deed to the first accused, which is not in dispute. The first accused misappropriated the sale consideration and thus committed the offences of cheating, misappropriation, forgery, etc. The prosecution seeks to implicate the petitioners in the offence of conspiracy, on the basis of the recitals in the sale deed that they were members of Society.

6. Though there are allegations in the impugned final report that the first accused had sold the property to non members of the Society, the crux of the allegation is that the first accused after receiving the sale consideration, had misappropriated the funds, thereby causing loss to the Society. The petitioners admittedly have not gained wrongfully. It is also seen that the petitioners after having realized that the properties were wrongfully sold to them have re-conveyed the properties to the Society. The fact that the petitioners had re-conveyed the property to the society is not disputed.

7. The statement of the witnesses cited by the prosecution would all



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confirm that the first accused had misappropriated the amount received as sale consideration from not only the petitioners but also from the other similarly placed accused. The petitioners paid the sale consideration and have now re-conveyed the property. They have suffered loss of the sale consideration as well as the property. In the light of the above facts and the fact that the petitioners were not involved in the alleged misappropriation, this Court is of the view that the continuation of the impugned prosecution as against the petitioners, who have already suffered a huge monetary loss would not be in the interest of justice.

8. Therefore, in the light of the above facts and to secure the ends of justice, this Court is inclined to quash the impugned final report in so far as the petitioners are concerned and accordingly quashes the same. Accordingly, this Criminal Original Petition is allowed. Consequently, connected Miscellaneous Petitions are closed.

27.11.2025

NCC : Yes / No
Index : Yes / No
Internet : Yes/ No

Indu/dk



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WEB COPY

To

- 1.The Inspector of Police,
Economic Offences Wing,
Thoothukudi District.
- 2.The Deputy Registrar Housing Incharge,
No.71B, Tiruchendur Road,
Palayamkottai,
Tirunelveli 627 002.
- 3.The Deputy Registrar,
Housing Incharge,
Tirunelveli,
- 4.The Additional Public Prosecutor,
Madurai Bench of Madras High Court,
Madurai.



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SUNDER MOHAN, J.

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