



Crl.O.P(MD)No.19923 of 2025

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED 27.02.2026

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THE HONOURABLE MRS.JUSTICE L.VICTORIA GOWRI

Crl.O.P.(MD).Nos.19923 and 20655 of 2025

and

Crl.M.P.(MD)Nos.16763, 16764 and 17519 of 2025

Crl.O.P.(MD)No.19923 of 2025

Kumaran Muthu @ Muthukumaran ... Petitioner/Accused No.8

Vs.

1. The State of Tamil Nadu,
Rep . by The Inspector of Police,
Economic Offence Wing,
Madurai and another.
Crime No.1/2025 ... 1st Respondent / Complainant
2. T.Sangeetha ... 2nd Respondent /
De-facto Complainant
- 3.Ramanathan
- 4.Manikandan ... Respondents

(Respondents 3 and 4 are impleaded as per order of this Court dated 11.12.2025 in Crl.M.P.(MD)No.19092 of 2025 and Crl.M.P.(MD)NO.19896 of 2025 in Crl.OP(MD)No.19923 of 2025)

Prayer: Criminal Original Petition is filed under Section 528 of BNSS, 2023, to call for the records culminating into the impugned



Crl.O.P(MD)No.19923 of 2025

FIR No.1/2025 dated 05.11.2025 on the file of the 1st respondent police and quash the same as against the petitioners.

For Petitioner : Mr.M.Dinesh Hari Sudarsan,
For Mr.J.Sivanandary,
For Mr.T.Karthik Raja

For R-1 : Mr.S.Ravi
Additional Public Prosecutor

For R-2 : Mr.R.Swarnavel

For R-4 : Mr.Anantha Padmanaban,
Senior counsel

Crl.O.P.(MD)No.20655 of 2025

1.S.Kamalakannan ... Petitioner No.1 / Accused No.7

2.S.Balasubramanian ... Petitioner No.2 / Accused No.6

Vs.

1. The State of Tamil Nadu,
Rep . by The Deputy Superintendent of Police,
Economic Offence Wing,
Madurai and another.
(Crime No.1/2025) ... 1st Respondent / Complainant

2. T.Sangeetha ... 2nd Respondent /
De-facto Complainant

3.Ramanathan

4.Manikandan ... Respondents
*(Respondents 3 and 4 are impleaded as per order of
this Court dated 11.12.2025 in Crl.M.P.(MD)No.19089
of 2025 and Crl.M.P.(MD)NO.19895 of 2025 in
Crl.OP(MD)No.20655 of 2025)*



Crl.O.P(MD)No.19923 of 2025

Prayer: Criminal Original Petition is filed under Section 528 of BNSS, 2023, to call for the records of the impugned FIR No.1/2025 dated 05.11.2025 on the file of the 1st respondent police and quash the same as qua the petitioners.

For Petitioners : Mr.M.Yogesh Kanna

For R-1 : Mr.S.Ravi
Additional Public Prosecutor

For R-2 : Mr.R.Swarnavel

For R-3 : Mr.Rajini

For R-4 : Mr.Anantha Padmanaban,
Senior counsel

COMMON ORDER

Preface:

These two petitions arise out of the very same F.I.R., viz., Crime No.1 of 2025 dated 05.11.2025 on the file of the Economic Offences Wing, Madurai, registered for offences under Sections 294(b), 506(1), 406, 420, 120-B IPC, Section 5 of the Tamil Nadu Protection of Interests of Depositors Act, 1997, (hereinafter to be mentioned as “TNPID ACT”) and Sections 3, 4, 5, 21, 22 and 23 of the Banning of Unregulated Deposit Schemes Act, 2019, hereinafter to be mentioned as “BUDS Act, 2019”).



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2. Crl.O.P.(MD) No.19923 of 2025 is pressed substantially on the footing of a settlement/compromise between A8 (Muthukumaran) and the defacto complainant, coupled with deposit of monies.

3. Crl.O.P.(MD) No.20655 of 2025 is pressed by A6 and A7 (Directors of Neomax Group) mainly on the contention that the impugned F.I.R., insofar as they are concerned, is impermissible as a “second F.I.R.” / a prohibited fragmentation of the same transaction, hit by the law in ***T.T. Antony v. State of Kerala***¹, and that no independent material is disclosed against them *qua* the “Premium Villa Plot” transaction.

4. Since the issues overlap, both petitions are disposed of by this common order.

Case of the prosecution:

5. The prosecution case, as reflected in the complaint, F.I.R. and counter, is that the *defacto* complainant and her husband had earlier investments in sister concerns of Neomax, and that the accused persons induced her not to pursue complaints, promised

¹ 2001 (6) SCC 181



Crl.O.P(MD)No.19923 of 2025

return of money, and thereafter induced her to pay Rs.30,00,000/- in April 2025 into accounts styled as “Premium Villa Plot”, promising a doubled return, allotment of land, and return of earlier investments.

6. It is alleged that the accused refused to register the property or return the money and threatened/abused her. The counter further asserts that the investigation has indicated a broader pattern, with multiple persons allegedly cheated, and suspicious bank transactions requiring forensic and financial trail analysis.

Submissions on behalf of Accused No.8:

7. The learned counsel appearing for Accused No.8 would submit that the entire prosecution case, when stripped of embellishments, is fundamentally simple. The *de facto* complainant, Sangeetha, had allegedly paid a sum of Rs.30 lakhs to Accused No.8 for the purchase of a plot in a real estate project run under the name “Premium Villa Plots.” It is alleged that the petitioner failed either to execute the sale deed or to refund the amount within the expected time, and on that basis FIR No.1 of 2025 has been registered



Crl.O.P(MD)No.19923 of 2025

invoking Sections 406 and 420 IPC along with provisions under the TNPID Act.

8. The learned counsel would emphasize that this is, at best, a commercial real estate dispute arising from delay in performance of a sale transaction. There was no dishonest intention at inception. The petitioner had participated in the enquiry and had clearly stated that he was willing either to execute the sale deed or to refund the amount, subject to reasonable time. Thus, the essential ingredients of cheating, namely deception at the inception and dishonest inducement are absent.

9. The learned counsel for Accused No.8 would submit that at the time of remand, a sum of Rs.21 lakhs was deposited. Thereafter, pursuant to the bail order passed by the TNPID Court, an additional Rs.25 lakhs was deposited. In total, Rs.46 lakhs stands deposited before the competent Court.

10. The *de facto* complainant has now appeared in person before this Court and has filed a joint compromise memo. She has



Crl.O.P(MD)No.19923 of 2025

categorically stated that she does not wish to pursue the complaint and seeks permission to withdraw the amount deposited. It is contended that when the aggrieved party herself states that the dispute stands settled and that she has no grievance, continuation of criminal proceedings would serve no purpose.

11. Reliance is placed on the decision in **Gian Singh v. State of Punjab²**, wherein the Hon'ble Supreme Court recognized the inherent power of the Hon'ble High Court to quash criminal proceedings even in non-compoundable offences, provided the dispute is predominantly civil in nature and continuation would result in injustice.

12. The learned counsel would argue that this case falls squarely within that category. The dispute arises from a financial transaction of a commercial character. It does not involve moral turpitude, violence, or public office. There is hardly any likelihood of conviction when the complainant has withdrawn support. Therefore,

² 2012 10 SCC 303



Crl.O.P(MD)No.19923 of 2025

in exercise of powers under Section 482 Cr.P.C., 1973 / Section 528 BNSS, 2023, this FIR deserves to be quashed.

13. It is strongly urged that Premium Villa Plots is an independent business entity and not an extension of Neomax. The petitioner has produced Udyam registration dated 01.06.2023. Sale deeds executed in 2025 relating to 180+ acres have also been produced. It is contended that business turnover cannot be equated with illegal collection.

14. Regarding the allegation of Rs.82 crores transaction, the learned counsel clarifies that this figure represents gross business turnover and transfers to Accused No.82 and Accused No.62 (accused in FIR 3/2023) were only brokerage payments amounting to a few lakhs. Bank statements have been extracted and produced.

15. A significant portion of argument revolves around the ongoing Neomax settlement before the Hon'ble Principal Bench in Crl.O.P.(MD)No.15498/2024. The learned counsel submits that FIR 3/2023 concerns Neomax, where approximately 60,000 depositors



Crl.O.P(MD)No.19923 of 2025

are involved. Movable properties have been auctioned. IBBI-appointed valuers have assessed immovable assets at Rs.2,600 crores (conservative valuation), though petitioners claim actual value is around Rs.7,000 crores.

16. It is contended that FIR No.1 of 2025 was registered at a critical stage in order to derail the settlement process. The directors are required to give consent for auction and compromise under Section 5A of TNPID Act. By keeping them under threat of arrest, the process is allegedly being stalled.

Submissions on behalf of A6 & A7:

17. The learned Counsel submits that FIR 3/2023 was registered under Sections 406, 420 IPC and Section 5 of TNPID Act. Accused No.6 and Accused No.7 were arrested and subsequently granted bail. Bail cancellation petitions led to a structured settlement process under the supervision of the Hon'ble High Court. The present FIR No.1 of 2025 alleges that Accused No.6 and Accused No.7 enticed the complainant to pay additional money promising return of earlier deposits.



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18. It is contended that there is no documentary evidence, no money trail, and no independent witness linking Accused No.6 and Accused No.7 to the Premium Villa transaction. The FIR is drafted in a manner that effectively seeks cancellation of bail rather than investigation of a fresh offence.

19. The learned counsel submits that if the present allegations are a continuation of earlier Neomax transactions, then under the doctrine laid down in ***T.T. Antony v. State of Kerala***³, a second FIR is impermissible and such statements must be treated under Section 161 Cr.P.C., 1973, in the original FIR. If it is claimed to be a separate transaction, then there must be distinct material connecting Accused No.6 and Accused No.7, which is absent.

20. The learned counsel further submits that the *de facto* complainant and her husband were allegedly regional and centre heads in Neomax, yet they have not been arrayed as accused. This selective targeting of directors suggests mala fide intention.

³ 2001 (6) SCC 181



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Submissions of learned Additional Public Prosecutor:

21. The learned Additional Public Prosecutor submits that FIR 3/2023 pertains to transactions up to 2023. The present FIR concerns fresh collections in April 2025 under new entities such as Premium Villa Plots and various federations. The accused list differs and certain entities were not part of FIR 3/2023. Hence, it is not hit by ***T.T. Antony v. State of Kerala***⁴ and constitutes a separate cause of action.

22. The learned Additional Public Prosecutor points out that A8, who earlier claimed to be merely an IT professional in his 2024 complaint, did not mention any real estate business. Bank accounts of Premium Villa were opened only in December 2024 and January 2025 and heavy transactions followed immediately thereafter. It is alleged that Rs.82 crores flowed into these accounts and transfers were made to accused in FIR 3/2023. This requires thorough investigation. The investigation is at a nascent stage and quashing would be premature.

⁴ 2001 (6) SCC 181



Crl.O.P(MD)No.19923 of 2025

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23. The learned Additional Public Prosecutor submits that TNPID offences affect a large class of depositors. Compromise with one complainant cannot nullify the investigation where public interest is involved. Other depositors are yet come forward.

Submissions of impleading petitioners:

24. Victim associations argue that after FIR 3/2023, new federations were formed and old depositors were induced to reinvest. They claim Zoom meetings were conducted and fresh funds were collected in 2025. Voucher dated March 2025 is produced to show fresh transaction.

25. It is argued that 15,000–20,000 depositors are represented by there associations and 60,411 complaints are on record. Settlement is under judicial monitoring. They submit that arrest would stall the settlement, but quashing would weaken prosecution is leverage. It is argued that Rs.82 crores transaction cannot be ignored and investigation must proceed to uncover the money trail.



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26. Points for consideration:

(i) Whether the compromise between Accused No.8 and the *defacto* complainant warrants quash of Crime No.1 of 2025 in Crl.O.P.(MD) No.19923 of 2025?

(ii) Whether Crime No.1 of 2025, insofar as Accused No.6 and Accused No.7 are concerned, is hit by the doctrine against a second F.I.R. / multiple investigations for substantially the same transaction, in the light of ***T.T. Antony v. State of Kerala***⁵ and allied precedents?

(iii) What directions, if any, are required to ensure expedition and clarity in investigation, particularly regarding identification of further victims, if any, when the agency asserts that wide publication/publicity has been given calling for complaints?

Analysis:

27. This Court is not unmindful of the compromise memo/affidavit filed between Accused No.8 and the *defacto* complainant, and the assertion that monies have been deposited before the learned Special Court. However, the offences invoked are not confined to a private wrong alone. The F.I.R. invokes TNPID Act

⁵ 2001 (6) SCC 181



and BUDS Act, which are special enactments aimed at protecting the public against unregulated deposit-like collections and financial deception. The gravamen projected by the prosecution is not merely the individual grievance of the *defacto* complainant but an alleged modus impacting a wider class of investors.

28. The law is settled that though the Hon'ble High Court possesses inherent power to quash proceedings on settlement in appropriate cases, as recognised in ***Gian Singh v. State of Punjab***⁶ and restated in ***Parbatbhai Aahir v. State of Gujarat***⁷, and that such power is not to be exercised mechanically where the alleged offence bears a public element, involves economic wrongdoing, or where the allegations indicate a broader pattern affecting persons beyond the immediate complainant.

29. In cases of this nature, a private compromise, howsoever genuine *inter se* cannot automatically extinguish the State's obligation to investigate allegations of an organised or repeated

⁶ 2012 10 SCC 303

⁷ (2017) 9 SCC 641



Crl.O.P(MD)No.19923 of 2025

fraudulent conduct, if the materials disclose a *prima facie* case warranting probe. Therefore, Crl.O.P.(MD) No.19923 of 2025, insofar as it seeks quash principally on the basis of compromise between Accused No.8 and the *defacto* complainant, cannot be accepted, and the compromise is not a legally sufficient foundation to terminate the investigation at the threshold. Accordingly, the prayer in Crl.O.P. (MD) No.19923 of 2025 is liable to be dismissed.

30. The contention of Accused No.6 and Accused No.7 is that they are already accused in Crime No.3 of 2023 (EOW, Madurai) concerning Neomax-related collections and defaults, and that the present F.I.R. is, in substance, a re-packaging of the same grievance narrative to multiply criminal proceedings, and to indirectly pressurise/circumvent bail orders and the Court-supervised settlement framework.

31. The doctrine in ***T.T. Antony v. State of Kerala***⁸ lays down that there cannot be a second F.I.R. in respect of the same cognizable offence or the same occurrence/transaction, and any further information should ordinarily be treated as statements in the

⁸ 2001 (6) SCC 181



course of investigation in the first crime. The later decisions, including ***Amitbhai Anilchandra Shah v. CBI***⁹, reiterate that the criminal process cannot be permitted to be fragmented into multiple F.I.R.s to the prejudice of the accused, where the subsequent F.I.R. is founded on the same transaction.

32. At the same time, the law equally recognises that where the later F.I.R. pertains to a distinct occurrence with a different transaction constituting a separate cause of action, the bar may not apply.

33. In the present case, the crucial feature is that, the very complaint narrative ropes in Accused No.6 and Accused No.7 not on the basis of an independent money trail to them in the “Premium Villa Plot” account, but largely by alleging that they “assured/induced” the complainant not to pursue the earlier Neomax grievance and to part with documents/money, thereby showing the “Premium Villa Plot” episode as an offshoot/continuation of the earlier Neomax dispute.

⁹ 2013 (6) SCC 348



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34. On the Court's scrutiny of the pleaded materials, as projected in the petition and even as fairly reflected in submissions, no specific documentary trail is pointed out at this stage establishing that the amount of Rs.30,00,000/- paid in April 2025 into the "Premium Villa Plot" account was received by Accused No.6 and Accused No.7, or that any allotment/registration obligation under "Premium Villa Plot" was undertaken by them by a document attributable to them.

35. Therefore, to the limited extent the impugned F.I.R. attempts to treat the later episode as a fresh crime against Accused No.6 and Accused No.7, it substantially rests upon a continuation of the earlier investor narrative and alleged inducement connected with the earlier Neomax chain, which is already the subject matter of Crime No.3 of 2023.

36. If the prosecution possesses materials showing complicity of Accused No.6 and Accused No.7 in the later money trail, the appropriate course, consistent with ***T.T. Antony v. State of Kerala***¹⁰, is to collect such material and proceed in accordance with

¹⁰ 2001 (6) SCC 181



Crl.O.P(MD)No.19923 of 2025

law within the framework of the earlier investigation in a legally permissible manner, rather than multiplying proceedings on overlapping allegations which are, in substance, part of the same transaction stream.

37. In such view of the matter, this Court is satisfied that continuation of Crime No.1 of 2025 against Accused No.6 and Accused No.7 would amount to abuse of process, to the extent it presents itself as a fresh F.I.R. founded on the same transaction continuum, and hence deserves interference under Section 528 BNSS.

38. Accordingly, Crl.O.P.(MD) No.20655 of 2025 is liable to be allowed, and Crime No.1 of 2025 is quashed insofar as Accused No.6 and Accused No.7 alone are concerned. This quash is confined strictly to Accused No.6 and Accused No.7. Investigation shall continue against the other accused, including Accused No.8, in accordance with law.



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39. The respondent police assert that wide publication/publicity has been made calling upon investors, if any, to come forward with complaints. Equally, it is brought to the notice of this Court that despite such publication and publicity, no fresh investors have come forward with new complaints so far. While this Court cannot treat the absence of further complaints as a ground to terminate investigation against remaining accused at the threshold, the said factor is certainly relevant for the limited purpose of ensuring that the investigation is conducted with focus, expedition, and clarity and that the police place a definitive outcome before the jurisdictional Court, instead of keeping the sword of investigation hanging indefinitely.

40. Economic offences demand prompt collection of documentary evidence, bank trail analysis, forensic extraction, identification of victims (if any), and crystallisation of the prosecution case. Therefore, this Court deems it appropriate to issue a time-bound direction.



Crl.O.P(MD)No.19923 of 2025

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41. In the light of the above, **Crl.O.P.(MD) No.19923 of 2025 is disposed of.** The compromise between Accused No.8 and the *defacto* complainant, by itself, is not accepted as a ground to quash Crime No.1 of 2025, having regard to the nature of offences invoked and the public element asserted by the prosecution.

42. **Crl.O.P.(MD) No.20655 of 2025 is allowed.** The F.I.R. in Crime No.1 of 2025 dated 05.11.2025 on the file of EOW, Madurai is quashed insofar as Accused No.6 and Accused No.7 alone are concerned.

43. The respondent police are directed to:

(i) conclude investigation expeditiously, specifically addressing the aspect of identification of further victims, if any, including by verifying the consequence of the stated wide publication/publicity calling for complaints and

(ii) file a final report under Section 173 BNSS before the competent jurisdictional Court within a period of THREE (3) MONTHS from the date of receipt of a copy of this order.



Crl.O.P(MD)No.19923 of 2025

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44. While filing the final report, the Investigating Officer shall place on record a brief statement of steps taken to ascertain whether any further victims exist, and the outcome of the call for complaints through publication/publicity, noting that no fresh complaints have come forward till date, if that remains the factual position.

45. It is made clear that if any further victims come forward subsequently with materials disclosing cognizable offences, it is open to the agency to proceed in accordance with law, including by adopting such course as is legally permissible.

46. Observations herein are confined to the disposal of these petitions and shall not prejudice investigation/trial on merits against the remaining accused. Connected Miscellaneous Petitions are closed.

27.02.2026

NCC : Yes / No
Index : Yes / No
Internet : Yes/ No
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Crl.O.P(MD)No.19923 of 2025

To

1. The Inspector of Police,
Economic Offence Wing,
Madurai and another.
2. The Additional Public Prosecutor,
Madurai Bench of Madras High Court,
Madurai.



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Crl.O.P(MD)No.19923 of 2025

L.VICTORIA GOWRI, J.

Sml

CRL OP(MD)No.19923 of 2025

27.02.2026