



PRESS RELEASE

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Directorate of Enforcement (ED) has provisionally attached immovable properties in various places across Tamil Nadu, having market value of Rs. 207 Crore, under the provisions of the Prevention of Money Laundering Act (PMLA), 2002, in a case of financial fraud committed by Neomax group of companies, based in Madurai.

ED initiated investigation on the basis of the investors lodged complaints before the Economic Offences Wing (EOW), Madurai against Neomax Properties Pvt. Ltd., and its Group companies, which allegedly cheated several investors into depositing lakhs of money in various projects (plot development) by promising high returns and eventually with 12% to 30% interest. But they have failed to fulfil their promise.

ED investigation revealed that the Neomaxgroup of companies had collected funds from the public and running into hundreds of crores and cheated the public by diverting these funds to shell entities, group companies and other entities (outside the group). ED investigation also revealed that the Neomax group of companies have manipulated their books of accounts to conceal the proceeds of crime and the auditor of the group has confessed in his statement that the books of accounts of the Neomax group are manipulated.

Further, during the investigation, it was unearthed that the Neomax group of companies have transferred substantial amount of public funds to other entities (outside the group) for purchase of land and these immovable properties were still lying with those other entities. Investigation also revealed that these land parcels and projects are Proceeds of Crime generated by Neomax group of companies. Therefore, immovable properties having market value of Rs. 207 Crore, parked by the Neomax group of companies in the name of other entities were provisionally attached by the ED.

Further investigation is under progress.