IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10.09.2025

CORAM:

THE HONOURABLE MR. JUSTICE M.DHANDAPANI

W.P No.11430 of 2018
and
W.M.P No.12393 & 12394 of 2018

Nathalla Sampathu Chetty Victimized
Depositors Welfare Association
Represented by its Secretary
Thiru. P.Rajakumar
(Regn.No.303 of 2017)
33, Bye-Pass Road, Denkanikottai Post
Krishnagiri District-635 107 ...Petitioner

Vs

1.State of Tamil Nadu
Represented by its Secretary
Home Department
Fort St.George
Chennai-600 009.

2.The Additional Director General of Police
Economic Offences Wing-II
Guindy, Chennai-600 032

3.The Deputy Superintendent of Police
Economic Offences Wing-II
Guindy, Chennai-600 032,

4.The Revenue Divisional Officer
Chennai-600 018.

5.Natehlla Sampathu Chetty Jewellery P. Ltd

Represented by its Managing Director

6.Nathalla Ranganatha Guptha
Whole Time Director
M/s.Nathalla Sampathy Chetty Jewellery P. Ltd

7.Nathalla Suresh
Whole Time Director
M/s.Nathalla Sampathy Chetty Jewellery P. Ltd

8.Nathalla Prapannakumar
Managing Time Director
M/s.Nathella Sampathu Chetty Jewellery P. Ltd ...Respondents

PRAYER: This writ petition is filed under Article 226 of Constitution of India, to issue a Writ of Mandamus, directing the 4th respondent herein to bring the properties of the 5th respondent company for sale or in any other manner realize the amount deposited by the members of the petitioner association from the 5th respondent and disburse the same as the first claim to the members of the petitioner association.

For Petitioner	:	M/s.S.Suneetha
For R1 to R4	:	Mr. AM.Ayyadurai Government Advocate
R6	:	No Appearance
R5	:	Not ready in notice

ORDER

This writ petition has been been filed, directing the 4th respondent herein to bring the properties of the 5th respondent company for sale or in any other manner realize the amount deposited by the members of the petitioner association from the 5th respondent and disburse the same as the first claim to the members of the petitioner association.

2. The learned counsel appearing for the petitioner association would submit that the members of the petitioner's association were the victims of the 5th respondent and the 5th respondent collected money under different schemes and subsequently, defrauded them. Therefore, they made a representation to the 4th respondent to bring the properties of the 5th respondent company for sale or in any other manner realise the amount deposited by the members of the petitioner's association and disburse the same to the members of the petitioner's association. However, no order was passed. Hence, the present writ petition is filed with the above said prayer.

3. The official respondents filed a counter affidavit, wherein it is stated as follows:

> 2.*"It is submitted that on 28.10,2017, a complaint was received at Economic Offences Wing from Tr.N.Murugesan, S/o.K.Nallathambi and others alleging that Nathella Sampathu Chetty Jewellery Private Limited company offered a scheme soliciting deposits and promised to provide 3 grams of gold at the end of every 12th month of a scheme and also Nathella Sampathu Chetty Jewellery Private Limited assured to give a*

jewel worth of the amount deposited by the individual without making charges and wastages. Further, the complainant mentioned in his complaint that he has deposited a sum of amount equivalent to 3 grams of gold for each month from 23.10.2012 to 28.09.2017. Totally, the complainant deposited an amount to the tune of Rs.4,62,403/- in 57 installments in one of the branches of Nathella Sampathu Chetty Jewellery Private Limited at Velacherry. Further, the complainant also alleged that at the time of maturity (i.e) after 60 months installments, Nathella Sampathu Chetty Jewellery Private Limited company has to give a jewel equivalent to the amount of deposit excluding the making and wastage charge. Nathella Sampathu Chetty Jewellery Private Limited company neither returned the principal amount deposited by the petitioner nor returned the amount with full benefits. Hence the complaint was lodged.

On receipt of the above complaint,a case in EOW.II Cr.No.11/2017 u/s.409, 420, Indian Penal Code & Sec.5 of Tamil Nadu Protection of Interests of Depositors (in Financial Establishments) Act, 1997 was registered against 1) Nathella Sampathu Chetty Jewellery Private Limited, 2) Prappana Kumar 3)Prasannakumar, 4)Rangaanatha Gupta and 5) Kotta Suresh and taken up for investigation. Similar complains of cheating have been received from various depositors alleging that they have deposited money in various branches of Nathella Sampathu Chetty Jewellery Private Limited, but the company failed to return the amount or the jewels to the depositors. So far, 3613 complaints have been received for the default amount *of Rs.46,08,71,444/-.*

The enquiry reveals that, it is a company registered with the Registrar of Companies, Chennai vide CTN U51398 TN 2007 PTC062970; it was commenced on 3rd April 2007 with its head office at T.Nagar and branch offices at Anna Nagar, Purasaiwakkam, Velachery, Tambaram, Vellore and Hosur. As per the certificate of incorporation, Ranganatha Gupta, Prapanna Kumar, Prasanna Kumar and Kotta Suresh are the Directors of the said company.

The enquiry reveals that the directors of the Nathella Sampathu Chetty Jewellery Private Limited company diverted the deposit amount in real estate business/construction. All the directors of Nathella Sampathu Chetty Jewellery Private Limited collected the deposit amount from the public and colluded with each other and purchased lot of properties.

3. "It is further submitted that the Economic Offences Wing officials on 09.11.2017 conducted searches in seven places and seized silver articles, gold coated ornaments, watches and Ear studs and Nose studs embedded with diamond stones worth Rs.24,23,263.83. Apart from the above, an amount of Rs.5,46,280.42 in Axis Bank A/c No.916020040515920 was frozen for Ad-interim attachment. A Look Out Circular was sent to the Foreigners Regional Registration Office to stop the movements of the accused. So far, statements of 900 depositors were recorded u/s.161(3) of Code of Criminal Procedure.

4. With reference to the averments made in paragraph 17 of the affidavit, it is submitted that the averment with regard to *para 7 is true. The petitioners/association deposited an amount of Rs.1.5 crores and at the time of maturity they approached the branch of M/s.Nathella Sampathu Chetty, Hosur branch and received the cheques, but the cheques were bounced due to insufficient funds.*

5. With reference to the averments made in paragraph 17 of the affidavit, it is submitted that the petitioner/Association seeking direction for the appointment of Administrator/Receiver for the 5th respondent's properties for the purpose of disbursal of the deposit amount. In this connection, the investigating officer had identified sufficient properties, however the Enforcement Directorate has attached most the properties of accused company in their order vide OC 1015/18 under the Prevention of Money Laundering Act 2002. The matter is pending before the Adjudicating Authority at New Delhi.Therefore, this respondent is unable to proceed with the attachment of the 5th respondent properties. Meanwhile, the case is still pending in the TANPID Court. However, certain properties worth about 30 lakhs were not attached by the Enforcement Directorate and ad-interim attachment process u/s.3 of TANPID Act, 1997 are under progress. In this regard, necessary orders will be issued shortly.

4. Considering the averments made in the counter affidavit filed by the official respondents, this Court is of the view that the 4th respondent has no power either to attach the properties of the 5th respondent or to disburse the amount. However, the members of the petitioner's association are granted

liberty to approach either the competent civil court including the TANPID Court, where the case is pending for making their claim by filing proof of deposit.

5. Accordingly, this writ petition is disposed of. No costs. Consequently, connected miscellaneous petitions are closed.

10.09.2025

Index : Yes/No
Neutral citation : Yes/No
Speaking/non-speaking order
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To

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Home Department
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Chennai-600 009.

2.The Additional Director General of Police
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Guindy, Chennai-600 032

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3.The Deputy Superintendent of Police
Economic Offences Wing-II
Guindy, Chennai-600 032.

4.The Revenue Divisional Officer
Chennai-600 018.

5.Natehlla Sampathu Chetty Jewellery P. Ltd
Represented by its Managing Director

W.P No.10430 of 2018
and
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