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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 05.01.2022

CORAM

THE HONOURABLE MR.JUSTICE N.SATHISH KUMAR

CRL.O.P.NO.524 OF 2017

&

CRL.M.P.NOS.385 & 386 OF 2017

Bernard Robert Hereford,
S/o. late E.J.Hereford

... Petitioner/Accused 12

.Vs.

The Deputy Registrar of Companies,
Tamil Nadu, Chennai,
Having office at II Floor,
Shastri Bhavan,
26, Haddows Road,
Chennai - 600 006.

... Respondent/Complainant

PRAYER:- Criminal Original Petition filed under Section 482 Cr.P.C to call for the records in E.O.C.C.No.194 of 2013 pending on the file of Additional Chief Metropolitan Magistrate (Economic Offences-II), Egmore, Chennai and quash the same.

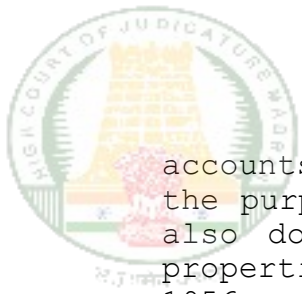
For Petitioner : Mr.M.Mohammed Rafi

For Respondent : Dr.D.Simon
Central Government
Standing Counsel

ORDER

This petition has been filed to quash the private complaint filed against the petitioner, who has been arrayed as A12, which was taken on file by the Additional Chief Metropolitan Magistrate (Economic Offences-II), Egmore, Chennai in E.O.C.C.No.194 of 2013.

2. The crux of the allegation is that at the time of inspection, it was noticed from the Balance sheet as at 31.03.2011 that under the head Annexure to the Accountants Report the state of affairs and the income and expenditure



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accounts of the units and sub units have not been considered for the purpose of preparation of accounts and the books of accounts also do not include the details of the movable and immovable properties thereby violated Section 211(2) of the Companies Act, 1956 and hence the present complaint has been filed against the petitioner and other accused.

3. A perusal of the complaint reveals that totally 17 people have been arrayed as accused. It appears that out of seventeen, eight of them are ex-directors and all others are said to be Directors of the first accused. The entire allegation in the private complaint does not make any specific averments against any of the accused therein. Further, no allegation is made against the present petitioner regarding his role for such violation. It is also brought to the notice of the Court that at the relevant point of time, the petitioner was not a director of the company. The petitioner was inducted as a director only on 26.04.2010 and resigned from the post on 11.02.2014, Form No.DIR-11 is also available on record, which has not been disputed by the other side.

4. Though it is the contention of the learned counsel appearing for the respondent that the administration of the company has not been properly done and books of accounts have not been properly maintained, to invoke the penal provisions against the petitioner, it should be shown by the respondent that on the date of the alleged resolution or violation, the petitioner was the director or responsible for the affairs of the company. In similar nature of cases, this Court in CrI.O.P.Nos.21861 to 21865 of 2016 has quashed the proceedings initiated against the present petitioner mainly on the ground that he became the Director of the Church of South India Trust Association on 26.04.2010 and resigned from the directorship on 11.02.2014 and on the date of violation he was not a director. In such view of the matter, the prosecution initiated against the petitioner is certainly not maintainable.

5. Accordingly, this Criminal Original Petition is allowed and the proceedings in E.O.C.C.No.194 of 2013 pending on the file of learned Additional Chief Metropolitan Magistrate (Economic Offences-II), Egmore, Chennai is quashed. Consequently, the connected miscellaneous petitions are closed.

Sd/-
Assistant Registrar(CS III)

//True Copy//

Sub Assistant Registrar



gpa/gba

To

1. The Additional Chief Metropolitan Magistrate
(Economic Offences-II),
Egmore, Chennai.
2. The Deputy Registrar of Companies,
Tamil Nadu, Chennai,
Having office at II Floor,
Shastri Bhavan,
26, Haddows Road,
Chennai - 600 006.
3. The Public Prosecutor,
Madras High Court,
Chennai - 104.

+1cc to Dr.D.Simon, CGSC, S.R.No.1336

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KV(CO)
PBS/27/01/2022