



CrI.O.P.No. 28296 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

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DATED: 25.07.2025

CORAM:

THE HONOURABLE MR. JUSTICE **D.BHARATHA CHAKRAVARTHY**

CrI.O.P.No. 28296 of 2024

and

CrI.M.P.Nos. 15766 & 15770 of 2024

M/s.Gemini Communication Limited,
Represented by its Managing Director,
V.S.Natrajan, M/A 54 yrs,
No. 28/3A, Ground Floor,
Ranga Road Lane,
Mylapore, Chennai – 600 004.

... Petitioner

Vs

1. State Rep. By its,
Inspector of Police,
CBI/EOB/Chennai.
2. S.Ravichandran,
DGM, SBI, SAMB,
Stressed Assets Management Branch,
Red Cross Building,
32, Red Cross Road,
Egmore, Chennai – 600 008.

... Respondents

Prayer: Petition filed under Section 528 of BNSS, to call for the records and quash the final report dated 25.02.2022 and all consequential proceeding in C.C.No. 8794 of 2024 pending on the file of the Additional Chief Metropolitan Magistrate for CBI cases at Chennai.



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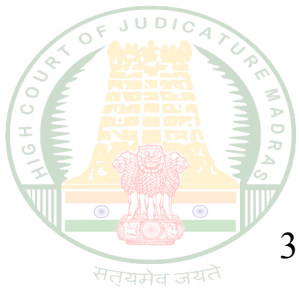
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For Petitioner : Mr.S.Ashok Kumar
For R1 : Mr.B.Mohan
Special Public Prosecutor for CBI cases

ORDER

This Criminal Original Petition is filed with a prayer to call for the records and to quash the final report dated 25.02.2022 in C.C.No.8794 of 2024, pending on the file of the Additional Chief Metropolitan Magistrate for CBI Cases, inasmuch as the petitioner company is concerned.

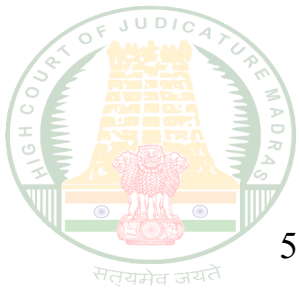
2. In this case, a complaint dated 24.09.2020 was made by the Deputy General Manager of the State Bank of India against the petitioner company and its original directors, along with public servants, stating that they had submitted false and manipulated financial statements, availed enhanced credit facilities and thereafter caused loss to the bank by diverting the funds and failing to repay the same. A case was registered by the respondent in RC 069 2020 E 005 for the offences punishable under Sections 120-B read with 420, and 477-A of the Indian Penal Code, 1860 and thereafter, a final report was filed.



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3. In the final report, the petitioner company, namely M/s.Gemini Communication Limited, is arrayed as the first accused. The erstwhile Promoters / Directors are arrayed as the second and third accused. The final report was filed proposing that all the three accused are guilty of the offences under Sections 120-B r/w 420 and 477-A of the Indian Penal Code, 1860.

4. Under the said circumstances, it is pleaded that against the petitioner company, Corporate Insolvency Resolution proceedings were initiated before the National Company Law Tribunal, Chennai. Ultimately, by an order in IA/1214/CHE/2021 and IA/1280/CHE/2021 in CP/699/IB/2017, the company was sold as a going concern through a sale certificate dated 15.10.2021 to M/s. Pixtronic Global Technologies Private Limited. As such, subsequently, the persons nominated by the said company have taken charge of the board. Therefore, under Section 32A(1) of the Insolvency and Bankruptcy Code, 2016, which is a non obstante clause, the criminal liability of the corporate debtor stands extinguished. This legal position has since been reiterated by the Hon'ble Supreme Court of India in *Ajay Kumar Radheshyam Goenka vs. Tourism Finance Corporation of India Limited reported in (2023) 10 SCC 545*. The said legal position is not in dispute.



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5. When the matter came up for hearing, apart from establishing that the proceedings have concluded as against the corporate entity, it should also be established that the persons who have now come in charge of the affairs of the company are not related to the erstwhile promoters/directors. In order to conclude about the said aspect, the petitioner company, now represented by its Managing Director *Mr.V.S.Natarajan*, was directed to file an additional affidavit. Accordingly, an additional affidavit was filed stating that the present directors, namely *V.S. Natarajan, V.S.Prakash, and Venkatraman*, have no connection with the erstwhile management or its directors.

6. Under the said circumstances, further opportunity was given to the prosecution to verify the said facts. Thereafter, after seeking time extensions, an inquiry was also conducted by the respondent and today it is reported that these directors have no connection whatsoever with the erstwhile promoters/directors or the other accused (A2 and A3).

7. In view thereof, the criminal liability against the company, namely M/s. Gemini Communication Limited, cannot be continued. Considering the fact that the corporate insolvency resolution proceedings resulted in the



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company being sold and new persons having taken charge of the company, the final report in C.C.No. 8794 of 2024 stands quashed against the first accused alone, by operation of law, as per Section 32A(1) of the Insolvency and Bankruptcy Code, 2016.

8. Accordingly, this Criminal Original Petition stands allowed. Consequently, connected miscellaneous petition is closed.

25.07.2025

Neutral Citation: Yes/No
nsl

To

1. The Inspector of Police,
CBI/EOB/Chennai.
2. The Additional Chief Metropolitan Magistrate for CBI cases,
Chennai.



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D.BHARATHA CHAKRAVARTHY, J.

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