IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 19.12. 2025

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THE HONOURABLE MRS.JUSTICE T.V.THAMILSELVI

CRL RC No. 2104 of 2025
AND
CRL MP NO. 19606 OF 2025

1. G.Sathish Das
S/o.S.G.Sekar and 3 Others

2. G.Shanthi
W/o.S.G.Sekar

3. G.Santheep Das
W/o.S.G.Sekar

4. S.Faustina
W/o.Sathish Das, All are residing at
No.7, 2nd Cross Street, Sylvan Lodge
Colony, Kellys, Chennai-10.

Petitioner(s)

Vs

1. The State Rep by, The Inspector of
Police,
EOW, Chennai. Cr.No.5/2017.

Respondent(s)

PRAYER
To call for the records in Cr.M.P.No.2581/2023 in C.C.No.4/2020, on the file of The Special Judge under the Tamil Nadu Protection of Interest of Depositors (in Financial Establishment), Act, 1997, Chennai-600 104 and set aside the order dated 20.09.2025, by allowing this revision.

For Petitioner(s): Mr. R. John Sathyan, for
K.Balasubramaniam
R.Prabhakaran
R.Hemalatha

For Respondent(s): Dr.C.E. Pratap,
Government Advocate (Crl. Side)

ORDER

This Criminal Revision Case has been filed to call for the records in Cr.M.P.No.2581/2023 in C.C.No.4/2020, on the file of The Special Judge under the Tamil Nadu Protection of Interest of Depositors (in Financial Establishment), Act, 1997, Chennai-600 104 and set aside the order dated 20.09.2025, by allowing this revision.

2. The brief facts of the case:

One G.Sunila, wife of G. Santhosh Kumar lodged a complaint before the respondent police stating that SGS Agro Forms Private Limited/A1, SGS Agro Farms Limited/A2, Company and its directors/A3 to A11 have colluded with each other canvassed General public by way of inducing them through advertisements to make deposit money in A1 and A2 company by giving false promises that A1 and A2 would repay their deposit money with higher profit or land on its maturity. Believing their promises, the complainant went to the accused company on 29.05.2010 and deposited a sum of Rs.1000/- per month upto 29.08.2015 for a period of 63 months totalling into Rs.63,000/-. On the same day of itself, the complainant further deposited a sum of Rs.63,000/- and further deposited a sum of Rs. 1000/- per month in the name of her husband upto 29.05.2010. Therefore, both of them totally deposited a sum of Rs.1,26,000/-. After completion of the maturity period, the complaint went to the accused's company and approached the accused to get back her money but they did not repay her amount. Thereafter, the complainant came to know that all the accused had cheated her amount and thereafter, the complainant had lodged a complaint before the Economic Offences Wing – II, Chennai. Based on her complaint, the case has been registered under Section 406, 420, 120(B) IPC & Section 5 of TNPID Act in crime No. 5 of 2017. Upon completion of investigation, the respondent police filed final report and taken cognizance in C.C No. 4 of 2020, by the Special Judge under the Tamil Nadu Protection of Interest of Depositors (in Financial Establishment), Act, 1997, Chennai-600 104. Thereafter, the petitioner herein along with other accused persons filed the petition under Section 227 Cr.P.C to discharge them from the case stating that they were directors in SGS Agro Farms Limited and thereafter on 26.03.2013 the said company was changed as SGS Agro Farms Private Limited and these petitioners were not directors of A2 company/SGS Agro Farms Private Limited only A10 and A11 were directors since those petitioners were resigned from A1 company on 27.02.2010 and the same reflected in Form 32 of the Company Act. Therefore, on the date of the lodging the complaint these petitioners were not directors and they have nothing to do with A1 company. Even though they were not participated in the company affairs they were implicated in these case as if they were conspired with other accused persons collecting deposits from depositors by giving false promise as such is false one, and there is no ground to proceed against the accused nor there is any material to frame charges. Therefore, they prayed to discharge them from the case. Accused 8 & 9 also filed another petitions for discharge. Both petitions were heard by the Trial Court and passed common order holding that as per the materials submitted by the prosecution these petitioners were directors of the company and they also signed resolution held on 22.02.2013 to change the name of the company from A1/ SGS Agro Farms Limited to A2/ SGS Agro Farms Private Limited. Further they were signed in the Memorandum of Association as shareholders with particular number of shares of A1 company and they were Directors of A1 company on 08.02.2008 and resigned from the company respectively on 27.02.2010 and 01.04.2011, however, even before that they have collected money from the depositors. Whether they were actively participated or not decided only at the time of the trial and still there is prima facie material on the side of the prosecution. Therefore, the petition was dismissed. Challenging the same, the petitioner filed this Criminal Revision Case.

3. The learned senior counsel appearing for the appellants argued that the Trial Court has failed to take note of the fact that the complainant joined as customer of A1 company during the period between 2012 to 2014 but the petitioners were resigned as directors of A1 company on 27.02.2010. Further, A10 and A11 were directors of A2 company during the default period but the

Trial Court has failed to consider the same. The petitioners were not played any role in the offence and they have not collected any amount during the default period i.e., 2013 to 2014. But the Court below erroneously held that there is prima facie material available to frame the charges against them. Hence, he prayed to allow this Criminal Revision Case.

4. The learned Government Advocate (Crl. Side) submits that A1 company is registered on 08.02.2008 in the name of SGS Agro Farms Limited at that time A2 to A7 were directors of that company. Thereafter, the name of A1 company was changed to SGS Agro Farms Private Limited to that effect they were signed Memorandum of Understanding. Further, the offence period starts from the year of 2008 when A1 collected deposits from the depositor by giving false promise and committed default in the year of 2013. Thereafter, the complaint was lodged and statement of the witness has also been recorded, which reveals that these petitioners were actively participated in collecting deposits from the depositors by giving false promise representation and the same was rightly appreciated by the Court below which needs no interference. Hence, he prays to dismiss this petition.

5. Heard the submission of the learned counsel for the appellant and the respondent.

6. On perusal of the final report, it reveals that Accused 3 to 11 including the petitioners herein fraudulently canvassed general public by approaching

them in person and received deposits and promised to pay exorbitant profit as dividend to the depositors in the name of A1 and A2 company and issued receipt in the name of the A1 and A2 companies. Though the offence period starts from the year of 2010 to 2017 but as per final report the amount was collected from the year 2008 when the petitioners were Directors of A1 company. Even the petitioners have already filed Crl. OP. No. 25162 of 2021 before this Court to quash the C.C No. 4 of 2020 but the same was withdrawn. Subsequently, they have found no merits. Thereafter, they filed discharge petition before the Trial Court.

7. As per the final report, the petitioners have collected a sum of Rs.44,18,680/- and defaulted in repayment. According to the learned Government Advocate (Crl. Side), even after filing the final report the complaints were received from the depositors and they have collected near about Rs. 5 crores but not yet returned to the depositor. Hence, there is a prima facie material against this petitioner, who fraudulently canvassed from the general public collected deposits and defrauded the public. During the offence period the petitioners were Directors of A1 company(i.e., from the year 2008), from that onwards they have started collecting money from the general public. Mere resignation from a company does not absolve petitioners from criminal liability for offences committed during their tenure. Therefore, the findings of the Court below needs no interference. According, this criminal revision case is dismissed. However, the personal appearance of petitioners 2 and 4 is ordered

to be dispense with. Pending petition, if any, is/are closed.

19.12.2025

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To

1.The Special Judge under the Tamil Nadu Protection of Interest of Depositors (in Financial Establishment), Act, 1997, Chennai-600 104.

2.The Public Prosecutor, High Court, Madras.

T.V.THAMILSELVI J.
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