

PRESS NOTE

SHAMIM SULTHANA & ORS. Petitioner(s)

VERSUS

STATE BY TAVAREKERE PS & ANR. Respondent(s)

SLP(Cr1) No. 20621 of 2024

New Delhi, September 27, 2024: The Supreme Court stayed further criminal proceedings against the directors of a prominent gold trading company namely Attica Gold Pvt Ltd having more than 200 branches across five states. The directors were personally arrayed as an accused for the mortgaging/sale of stolen gold articles by the customers in one of their branches. The directors were impleaded solely based on their roles as directors within the company.

The Bench led **Hon'ble Justice B.V. Nagarathna** and Hon'ble **Justice Nongmeikapam Kotiswar Singh** by an order directed that all further proceedings against the petitioners remain stayed until further notice. The arraying of the petitioners as accused were solely attributable as the office bearer of Attica Gold.

The petitioners argued that vicarious liability cannot be imposed on them merely based on their roles as directors, without specific allegations of personal involvement. They relied on **Maksud Saiyed v. State of Gujarat** (2008), which held that vicarious liability must be statutorily provided, and **S.M.S. Pharmaceuticals Ltd. v. Neeta Bhalla** (2005), where the Court ruled that directors are not automatically liable for a company's actions. Additionally, they cited **Aneeta Hada v. Godfather Travels & Tours** (2012) to assert that criminal intent must first be attributed to the company before its directors can be held liable.

Counsel for Petitioners: **A. Velan (AOR) & Mrs. Navpreet Kaur Adv**