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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

CRIMINAL APPELLATE SIDE

**CRIMINAL APPEAL NO. 1166 OF 2015
IN
MISC. APPLICATION NO. 91 OF 2015**

M/s. Concept Public Relations India Limited ... Appellant

Versus

The Senior Inspector Economic Offences
Wing Unit XI ... Respondent

Mr. Kuldeep Nikam i/by Ms.Komal Joshi for the Appellant.

Mr. Gharat Special P.P. with Smt. Usha Kejriwal, APP for the respondent.

**CORAM : NARESH H. PATIL AND
A. M. BADAR, JJ.
DATED : APRIL 01, 2016.**

P.C.

1. The appellant has challenged the order dated 13th October, 2015 passed by learned Special Judge, MPID Court. The Economic Offence Wing is investigating what is referred to as "QNET Scam" which is a scam of hundreds of crores of rupees. M/s.QNET Limited, Hong Kong, is a company registered in Hong Kong and there are other connected companies in India. The appellant is said to be Media Coordinator which is engaged in maintaining public relations. The appellant admittedly had acted

as a media co-ordinator to provide services to M/s. QNET. In the process, the appellant had admittedly received more than Rs.45 lacs as service charges. During the course of investigation, accounts of the appellant were freezed. An application was filed by the appellant before the designated Court under Maharashtra Protection of Interest of Depositors Act (MPID Act) at Bombay City Civil and Sessions Court, Mumbai registered as Misc. Application No. 91 of 2015 in CR No. 78 of 2013. By an order dated 13th October, 2015, the Special Judge, MPID Act and Additional Sessions Judge, City Civil and Sessions Court, Mumbai rejected the application.

2. The counsel for the appellant submits that the appellant was providing media services/public relation services to QNET. Being professional service organization, the appellant acted as a media service provider on the proposal of QNET. Appellant is providing services to the other reputed organizations also. The professional charges which the appellant received cannot be freezed. Learned counsel has taken us through various correspondence, documents, news items published which are placed on record.

3. Special Prosecutor for the respondent submits that this is a scam of hundreds of crores which is being investigated by the EOW. The Investigating Agency had sufficient material to freeze the account of the appellant. M/s. QNET Limited had forwarded more than Rs.49 lacs in favour of the appellant. Learned Prosecutor has referred to some of the news items in support of his submission that the appellant was engaged in advertising QNET activities which according to the Investigating Agency were illegal and the same are under scanner. Learned prosecutor further submits that under the provisions of the MPID Act, at appropriate stage, the appellant may raise this issue and the same shall be looked into by the Designated Court. Reliance was placed on the judgment in the case of State of Maharashtra Versus Tapas D. Neogy delivered by the Supreme Court on 16th September, 1999. We have perused the record and the impugned order passed by the Special Judge. While rejecting the application, in para 10 the Designated Court has observed as under :

“10. Even under Section 4 of the MPID Act, it is only the reasonable belief of the Government which is sufficient for the attachment of the property. In the case in hand, having regard to the admitted fact that amount received to the applicant is from QNET, I am of the view that there is sufficient reasonable belief with the investigating agency that the amount received to the applicant is the amount received from the depositors. Hence, I am of the view that this is not the proper stage wherein either under section 451

r/w.457 of Cr.P.C. or under section 9 of the MPID Act, the prayer of applicant can be considered. In the result, I process to pass following order :

O R D E R

Application stands rejected.”

4. We have also perused sections 7 and 9 of the MPID Act. As to whether the appellant was engaged in merely publishing the news items, propagating the activities of QNET, whether money transferred in the accounts of the appellant by QNET was tainted money and other connected issues are required to be gone into at an appropriate stage. At this stage, it will not be appropriate, reasonable and proper to arrive at certain conclusion based on the material placed on record. Learned Special Judge also observed in the order that this is not an appropriate stage under section 451 read with 457 or under section 9 of the MPID Act for consideration of prayer of the appellant. In the facts, we are not inclined to interfere in this appeal and the same is dismissed.

(A.M. BADAR,J.)

(NARESH H. PATIL, J.)