**THE HON'BLE SRI JUSTICE C. PRAVEEN KUMAR**

**CRIMINAL PETITION No. 10424 OF 2016**

**AND**

**CRIMINAL PETITION No. 10525 OF 2016**

**COMMON ORDER:**

These two applications are filed by A-4 and A-2 respectively in Crime No.RC-09(A) of 2016 of CBI/ACB/Hyderabad registered against them and others for the offences punishable under Sections 420, 471, 120 IPC and Section 13(2) read with 13(1)(d) of P.C. Act, 1988.

The Deputy General Manager, State Bank of Hyderabad, Cyberabad Zone, lodged a report before the Deputy Inspector General of Police, Central Bureau of Investigation, Anti Corruption Branch, Hyderabad, alleging the acts of fraud and other criminal acts committed by K.V.Ramana Rao, Retired Official of the Bank and beneficiaries of the remittances at Singapore Township Branch, located at Singapore Township Annojiguda village, Ghatkesar Mandal, Ranga Reddy District. In the month of September, 2015 Sri K.V.Ramana Rao, retired official, visited their branch and had interaction with the Branch Manager. During the said discussion he is alleged to have informed about availability of funds with A.P. State Housing Corporation Ltd. (Andhra Unit) and advised the Branch Manager to send a request to APSHC Ltd., office indicating the rate of interest on deposits. A letter was also prepared and sent to the said organization. The Branch received an amount of Rs.20 crores in Branch clearing parking A/c.No.62149443578 through RTGS from State Bank of India, Gowliguda Branch, Hyderabad. Thereafter, the Branch received a letter from the Chief General Manager, A.P. State Housing Corporation Limited (Andhra Unit) vide letter No.F5/2648/2007 dated 22.09.2015 informing about the transfer of the amount by RTGS and requested to open 21 Fixed Deposits (TDR) for a period of one year (20 TDRs each for Rs.99.00 lakhs and 1 TDR for

Rs.20 lakhs) in favour of A.P. State Housing Corporation Limited with an interest rate of 8.25% p.a. Accordingly, 21 TDRs were issued and they were sourced through K.V.Ramana Rao. On 29.09.2015 K.V.Ramana Rao requested the Branch Manager to give him the TDR receipts for delivery of the same at office of the APSHC Ltd. Considering the fact that he is their ex-official, the Branch Manager handed over the above 21 FDR receipts to him. The Branch also sent Mr. P.Prasad Rao, SWO along with K.V.Ramana Rao to handover the TDRs. in the office of the APSHC Ltd. On 09.10.2015, the Branch received five letters from A.P.S.H.C. Ltd., enclosing 5 TDRs with a request to pre close them and remit the proceeds along with interests to the vendor's current accounts as mentioned in their letters. Accordingly, the Branch has remitted the funds to various parties as per the details furnished in the letters. On 28.10.2015 the Branch again received a letter dated 26.10.2015 from A.P.S.H.C. Ltd., enclosing 5 TDRs each for Rs.99.00 lakhs with a request to pre-close them and remit the proceeds along with interest to their vendor's current account as mentioned in the letter. The same was done as sought for. On the next day i.e., on 29.10.2015 he received another letter for closure of another 5 TDRs with a request to pre-close them and remit the proceeds along with interest to their vendor's current account as mentioned in the letter, which was also done. Similar such request also came on 26.11.2015 for closing another 3 TDRs of Rs.99.00 lakhs each. On 30.11.2015 the Branch Manager of the Bank visited the office of APSHC Ltd., to ascertain the reasons for premature closure of high value TDRs and the amounts being paid to third parties. During the discussion it was informed that they are holding TDRs and there is no pre-mature request made by them. Immediately, the Branch scrutinized the paid TDRs and letters received from APSHC Ltd., for pre-closure and noticed that the payments were made on the receipt of original TDRs issued by the Branch. Immediately, letters were written to Lakshmi Vilas Bank, West Marredpally branch, Bank of India, IDBI Bank and also to the Corporate office of Axis Bank by way of 'e' mails to withhold the accounts where the funds were remitted, but by then part of the amounts were withdrawn. On 01.12.2015 the officials of CGM and Manager from the office of APSHC Ltd., met the Asst. General Manager, Region-II, Cyberabad Zone and the Deputy General manager, Cyberabad Zone, to ascertain the status of term deposits. It was informed to them that the matter is under investigation. The matter was reported to Reserve Bank of India on 02.12.2015. Thus, a report came to be lodged by the Deputy General Manager, State Bank of Hyderabad, Cyberabad Zone, bringing to light fraud of Rs.17.93 crores. Basing on these allegations the above report came to be lodged.

Learned counsel for the petitioners mainly contends that even if the allegations made in the report are taken to be true no offence is made out against the petitioners. According to him no material is placed before the authorities to show the involvement of the petitioners in the crime. It is urged that even as per the counter-affidavit filed by C.B.I., nothing incriminating is alleged against the petitioners herein and as substantial investigation is also completed seeks release of the petitioners.

Learned standing counsel for the respondent/CBI bringing to the notice of the Court the statements of the various witnesses, show the involvement of the petitioners in similar crimes. He further contends that since the case is still under investigation and if the petitioners are released at this crucial stage there is every likelihood of tampering with the evidence. Apart from that he submits that there is enough material on record to show that the petitioners herein have played a crucial role in defrauding the bank and as such they are not entitled for any relief at this stage.

A perusal of the statements of some of the witnesses recorded on 21.07.2016 read as under :

The statement of Ashutosh Sisodia, who was working as Business Development Officer in Goreshwar Co-operative Credit Society, Feelkhana, Begum Bazar, Hyderabad, refers to some fraudulent transactions that took place in Rajiv Gandhi Institute of Health Science, Bangalore, account held in Syndicate Bank, Vidhan Soudha Branch and in that connection he was arrested by Vidhan Soudha Police Station, Bangalore. On being asked with regard to fraudulent transactions that took place in SBH, Singapore City Branch he stated that one Vishal Joshi, asked him during the month of October 2015 to furnish account numbers so as to enable him to transfer amount into the said account and further informed that the said amount pertains to funds of Ch.V.K.Sai Kumar (A-2). He further said that once the funds are transferred into the account, further instructions would be given and accordingly he had to act for which he would be paid commission of 1.5% on the amount transferred to the said accounts, which has to be shared between himself and Vishal Joshi. Accordingly he furnished account number of Vishal Joshi through SMS from his mobile. An amount of Rs.99,27,123/- was received through RTGS from A.P. State Housing Corporation. Immediately after transfer of the said amount, Vishal Joshi transferred to various accounts viz., M/s. Kalki Knitting, Ch.V.K.Sai Kumar, WE FX Imagineer, Akhil Broadcasting Private Limited and S.Rama Rao. As per the instructions of Vishal Joshi, Sri Ashutosh Sisodia is alleged to have transferred the amount. The said statement further indicates that as per the instructions of Vishal Joshi he collected account numbers from Naresh Parasmal Jain through SMS and forwarded the same to Vishal Joshi. Thereafter he was instructed to meet Naresh Parasmal Jain at his office. Accordingly, he visited the office in the second week of October 2015 where Sri Damodaran Mani, Lakshman and another unknown person came to Sri Naresh Parasmal Jain and collected

Rs.80 lakhs from Naresh Parasmal Jain.

Similarly the statement of Tupakula Srinivas also refers to the role played by both these petitioners. In the said statement recorded on 26.07.2016 he refers to collection of the rubber stamps in respect of State Bank of Hyderabad, Singapore Township i.e., Round Seal "SBH Singapore Township-Branch Manager" and informing about the same to Ch.V.K.Sai Kumar (A-2) over phone and thereafter handing over the stamps to him personally.

Insofar as the statement of Naresh Parasmalji Angara (Jain) dated 22.07.2016 is concerned, he stated that for collection of the cash, Sri Damodaran Mani once came along with Sri Ashutosh to his shop and collected Rs.65 lakhs and Rs.10 to 15 lakhs on the next day from his shop at Ranigunj. Sri Venkatesh @ Venkat, Sri Ch.V.K.Sai Kumar used to call him to Hotel Yatri Nivas at SD road, Secunderabad for collection of cash. Sri Vijay Kumar @ Franklin Samuel Raj is alleged to have collected cash at Chennai. When the said fraud came to light initially at Goreshwar Grameen Bank through Sri Ashutosh, the said transaction was stopped. Sri Ch.V.K.Sai Kumar informed him that they are going to revert back the entries and will give the cash back to him but they could not do it. On being asked with regard to the transactions that took place in cash in lieu of RTGS transfers that were transferred to Mumbai and Rajkot, he stated that he had business transactions at Mumbai. One Praveen is alleged to have arranged the above mentioned account numbers and details furnished to him, which in turn were furnished to Sri Ch.V.K.Sai Kumar and Sri Ashutosh from time to time and after collecting the cash from the concerned account holders where these RTGS transfers took place and they have given to him in cash. He further states that in respect of the transactions that took place at SBH, Singapore City Branch relating to APHB funds, the amounts were transferred to A.P.Housing account at Bank of India, Rajkot and from there the amounts were transferred to 4 different accounts amounting Rs.1.95 crores. The said amount was disbursed to Sri Ashutosh of Goreshwar Bank, Sri Damodaran Mani and Sri Ch.V.K.Sai Kumar on different spells at Hyderabad.

The record further discloses purchase of various properties in different names by Damodaran Mani after receipt of money in the names of father, mother, brother, sister etc. Having regard to the gravity of the offence and since the investigation is still pending, I am not inclined to grant bail at this stage.

Accordingly, both the Criminal Petitions are dismissed.

**JUSTICE C. PRAVEEN KUMAR**

Dt:02.08.2016
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