THE HON'BLE Dr. JUSTICE SHAMEEM AKTHER

CRIMINAL PETITION No.9418 OF 2017

ORDER:

This Criminal Petition is filed under Section 438 Cr.P.C. seeking to grant anticipatory bail to the petitioner-A.9 in Crime No.181 of 2017 of Muvvalavanipalem police station, Visakhapatnam city registered for the offences punishable under Sections 120B, 420, 465, 468, 471 read with 34 IPC (now being investigated by the CID).

2. Heard the learned counsel for the petitioner-A.9 and the learned Additional Public Prosecutor. Perused the material available on record.

3. The learned counsel for the petitioner would submit that the petitioner-A.9 is innocent person and falsely implicated in this case; that the petitioner is implicated pursuant to the confession made by the other accused in this crime; that the petitioner studied 8th standard and he is incapable of thinking independently; that he only visited the office of A.1 for taking back the money lent by his father to father of A.1; that the petitioner-A.9 is apprehending arrest by C.I.D. in this case, in which event, he would be subjected to mental and physical harassment; that he is law abiding citizen, would co-operate with the investigation and abide by the conditions of bail, and ultimately, he prayed to allow the application.

4. On the other hand, the learned Additional Public Prosecutor appearing for the respondent-State opposed the grant of bail to the petitioner-A.9 under Section 438 Cr.P.C.

5. In view of the contentions put forth by both sides, the point for determination is whether the petitioner-A.9 can be granted bail under Section 438 Cr.P.C.?

6. The material placed on record reveals that one Vaddi Mahesh and 8 others floated 12 fake firms in Visakhapatnam and Kolkata for the purpose of hawala transactions and fraudulently transferred an amount of Rs.569.93 crores of foreign exchange to outside India by using fake documents prior to 11.05.2017, thus, cheated the Government of India. On the report of one Veera Naga Seshu Bhavannarayana, Income Tax Officer (Inv.) working in Unit-III, Visakhapatnam city, this crime was registered and is under investigation. The Income Tax officials, in routine, verified the information gathered by them, and in that process, they noticed the financial affairs of certain companies of said Vaddi Mahesh, his family members and friends as Directors, and in their returns, the officials found irregularities and suspicious transactions. During the investigation, it has come to light that said Vaddi Mahesh, his father Vaddi Srinivasa Rao and mother Vaddi Padmavathi floated business concerns. It has also come to light that the other accused in this case also floated number of companies,

and altogether, they floated 12 companies. It has also come to light that the said Vaddi Mahesh opened 30 bank accounts in various banks and 12 bank accounts were opened in the names of his family members. Through those bank accounts, total inward domestic remittance of approximately Rs.680.94 crores is done so far. Out of this amount, an amount of Rs.569.93 crores was remitted outside India to mainly 5 concerns ostensibly towards purchase of customized software. An amount of Rs.111.60 crores was transferred to other entities in India. Most of the remittances received are through NEFT/RTGS. In one of the accounts, an amount of Rs.26.00 crores was deposited in cash.

7. During the course of investigation, it came to light that all 22 entities from which Vaddi Mahesh received money, belong to three persons viz. 1)Ayush Goel, r/o. Kolkata; 2)Vineet Goenka, r/o. Kolkata, and 3) Vikash Gupta, w/o. Delhi (the petitioner herein). There is also record to show that all the invoices of foreign companies are prepared by Vaddi Mahesh, and no software has ever been imported by him against the remittances made. There is also record to show that Vaddi Mahesh opened many proprietary concerns/ partnership firms in the name of his employees to facilitate transfer of funds and report turn over. There is specific allegation that he deposited huge amounts in the accounts opened by the other accused in this case. An amount of

more than Rs.569.00 cores was remitted in foreign exchange abroad on the basis of the forged purchase invoices.

8. Though name of the petitioner-A.9 came to light basing on the confession made by said Vaddi Mahesh (A.1), the petitioner-A.9 is one of the key accused in the alleged fraud. The allegations require in-depth investigation. Therefore, it cannot be said that the petitioner is an innocent person and falsely implicated in this case. He studied 8th standard, does not know anything about the fraudulent transactions and has permanent abode in Delhi, are not grounds to allow the petition. There are no justifiable grounds to enlarge the petitioner-A.9 on bail under Section 438 Cr.P.C. The Criminal Petition is devoid of merit and liable to be dismissed.

9. In the result, the Criminal Petition is dismissed.

Dr. SHAMEEM AKTHER, J

Date: 20 .12.2017
DRK

THE HON'BLE Dr. JUSTICE SHAMEEM AKTHER

<u>Crl.P. No. 9418 OF 2017</u>

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