THE HON'BLE Dr. JUSTICE SHAMEEM AKTHER

**CRIMINAL PETITION No.243 OF 2019**

**O R D E R**:

This Criminal Petition is filed under Section 439 of Cr.P.C. seeking to grant bail to the petitioners/A.1 & A.2 in Crime No.113/2018 of Cybercrime Police Station, Rachakonda, Hyderabad, registered for the offences punishable under Sections 406, 420, 506, 120-B of I.P.C r/w Section 66-C, 66-D of Income Tax Act and Section 5 of Andhra Pradesh Protection of Depositors of Financial Establishment Act,1999 and Sections 4 and 6 of Prize Chits and Money Circulation Schemes (Banning) Act, 1978.

2. Heard the learned counsel for the petitioners/A.1 & A.2 and the learned Additional Public Prosecutor appearing for the respondent-State and perused the material available on record.

3. Learned counsel for the petitioners/A.1 & A.2 would submit that though the petitioners/A.1 & A.2 were illegally taken into custody by the police on 20.12.2018, the date of arrest was shown as 23.12.2018. The *de-facto* complainant made all baseless allegations. The complaint dated 28.11.2018 lodged by the de-facto complainant is an exaggeration where many manipulations are inserted and is also a misleading one. The petitioner No.1/A.1 is a spiritual guru and the petitioner No.2/A.2 is his brother and both of them are reputed and respectful persons. Their image is being tarnished by making false allegations against them. The allegation that the petitioners/A.1 & A.2 had induced the *de-facto* complainant for investment in social business network on 26.07.2017 and collected money of Rs.21,78,000/- is absolutely false. Though the *de-facto* complainant named Smt.Ratna Saroja in her complaint, she was not made accused in this case. The first information report as well as the remand report of the petitioners/A.1 & A.2 is silent with regard to the role of Ratna

Saroja. It is absolutely false to say that the petitioners/A.1 & A.2 invested money in Bitcoin and crypto currency. Several business units/companies are being run by the petitioners/A.1 & A.2 and there are several investments. None was lured or any false promise was made as alleged. All the activities of the petitioners//A.1 & A.2 are legal activities and they did not indulge in any unlawful collection of money or establishment of any bogus companies. It is also false that the petitioner No.1/A.1 had threatened or intimidated the *de-facto* complainant. The police having taken custody thoroughly interrogated the petitioners/A.1 & A.2. All the material witnesses were examined and most part of the investigation is completed. The allegations against the petitioners/A.1 & A.2 are based on surmises and conjunctures and are vague and improbable and made with an intent to cause prejudice in the administration of justice. No offence was committed by the petitioners/A.1 & A.2 under the provisions of Sections 4 and 6 of Money Circulation Act and the respondent invoked these provisions in pre-meditated manner. The petitioners/A.1 & A.2 were detained in illegal custody and remanded on baseless allegations, and ultimately prayed to allow the petition.

4. On the other hand, the learned Additional Public Prosecutor opposed the grant of bail and also filed counter, contending that the petitioners/A.1& A.2 indulged in collection of huge money by fraudulent means, cheating the devotees and outsiders, in the name of floating companies, but not floated any company and huge fraud has been involved. The investigation is in progress and ultimately prayed to dismiss the application.

5. The material placed on record, reveals that the petitioners/A.1&A.2 are brothers and Directors of Comsmickent Techno Solutions Private Limited and other 27 registered companies. Petitioner No.1/A.1 is the founder of Advaita Spiritual Recharge Centre for Excellence and preaches

Advaitha Kriya. He also preaches Kubhera Prakriya, Amrutha Prakriya and Dhnavanthari Prakriya in Bhakthi TV, TV5, CVR, NRI Radio and YouTube Channels. The *de facto* complainant-Smt.K.Swapna, came in contact with the petitioner No.1/A.1 through one Ratna Saroja. The *de facto*-complainant was informed that petitioner No.1/A.1 started a "Dream Bridz", a social business network to earn huge profits within the short period. It is a Multi-level Social Trade where one has to purchase User IDs which starts from Rs.1,100/- to Rs.66,000/- and after allotting the User ID, the concerned subscriber will get each day few advertisements and one has to view the same and click on them. Every user has to join/refer two new users, who in turn should join another two and so on and so forth. Thus, chain will be build-up in the process and the subscribed members would get huge profits for their investments. Having believed the same, the *de facto* complainant gave an amount of Rs.21,78,000/- in cash to the petitioner No.1/A.1. However, no profits were paid and there was no business activity as alleged. When the *de facto* complainant asked for return of her amount, a cheque for Rs.10 lakhs was given and the same was dishonoured. Further, there are also allegations of threatening and abusing the *de facto* complainant when she demanded for return of money.

6. Further, petitioner No.1/A.1 in pursuit of his big desire to become richest man in India, floated various dubious companies and pooled investments in large scale from his followers by making his followers to believe that the money collected will be invested into different businesses like Bit Coins-Crypto Currencies, Multilevel Digital Markets, Social Trades and PayTM like "payment Bank" and Flipkart like e-commerce website to fetch huge profits and floated as many as 28 dubious companies.

7. Petitioners/A.1&A.2 as the Directors of the above dubious companies lured the innocent followers, who are around 400,

and collected around Rs.50 to 60 crores on interest at 6% to 10% for investments in the said companies. The petitioners/A.1 & A.2 opened around 20 to 25 bank accounts in the name of various fake companies, recruited around 300 staff to work in various companies and paid Rs.1.5 crores per month as salaries to the entire staff for sometime and stopped paying. All the money paid is from the money collected from the innocent public. The petitioners/A.1&A.2 have taken buildings on rent at two places for corporate offices at Madhapur, visited Dubai, Malaysia and tried to start companies there and spent huge money lavishly, purchased huge gold ornaments, invested in real estate and luxurious cars.

8. The *defacto* complainant Smt.Swapna approached through one of the follower Ratna Saroja and deposited around Rs.21,78,000/- in Dream Bridz Social Trade. The petitioners/A.1&A.2, promised the *defacto* complainant that she will get Rs.20 crores within six months from such investment. In the whole gambit, petitioners/A.1 and A.2 and their father and A.3-wife of petitioner No.1/A.1 and some followers involved in collection of huge sums of money fraudulently by luring the innocent public.

9. At his juncture, it is apt to cite the judgment of Hon'ble Apex Court in **Prasanta Kumar Sarkar vs. Ashis Chatterjee**[1], wherein the Apex Court while referring to the principles laid down by it in the catena of decisions for grant of bail, held as follows:

> "11. We are of the opinion that the impugned order is clearly unsustainable.
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> It is trite that this Court does not, normally, interfere with an order passed by the High Court granting or rejecting bail to the accused. However, it is equally incumbent upon the High Court to exercise its discretion judiciously, cautiously and strictly in compliance with the basic principles laid down in a plethora of decisions of this Court on the point. It is well settled that, among other circumstances, the

[1] (2010) 14 SC 496

> factors to be borne in mind while considering an application for bail are: (i) whether there is any prima facie or reasonable ground to believe that the accused had committed the offence; (ii) nature and gravity of the accusation; (iii) severity of the punishment in the event of conviction; (iv) danger of the accused absconding or fleeing, if released on bail; (v) character, behaviour, means, position and standing of the accused; (vi) likelihood of the offence being repeated; (vii) reasonable apprehension of the witnesses being influenced; and (viii) danger, of course, of justice being thwarted by grant of bail."

10. From the record, it is seen that there are specific allegations made by the *de-facto* complainant against petitioners/A.1 & A.2. The *de-facto* complainant was introduced to the petitioner No.1/A.1 by Smt.Ratna Saroja, who told the *de-facto* complainant that the petitioner No.1/A.1 has the company by name Dream Bridz Social Trade, a social business net work, and if money is invested in the social net work one gets lot of profits. There is record to show that the petitioners/A.1 & A.2 collected huge money to the tune of Rs.50 to Rs.60 crores from the disciples and the innocent public fraudulently in the name of dubious companies floated with false promise of giving huge profits. The business that is being carried by the company is a doubtful one. The petitioners/A.1 & A.2 also purchased diamonds, gold and jewellery running in crores of rupees. There is nothing to substantiate that the companies floated by them are productive ones. The petitioners/A.1 & A.2 invented ways to collect huge money from the public at large. The list of above 80 persons is given and those persons have invested lakhs of rupees in different companies floated by the petitioners/A.1 & A.2. These petitioners have also indulged in opening several bank accounts and in all 40 accounts were opened in the name of different companies in different banks in order to collect huge sums of money. Petitioners/A.1 & A.2 also unnecessarily employed so many persons and collected huge sums from different persons. There is no record to establish the use of money for the purpose it was collected. The petitioners/A.1 & A.2 have also brought foreign collections.

11. The gravity of the offence committed by the petitioners/A.1 & A.2 is high. Their release will certainly cause hindrance to the investigation process. From the record, it is clear that petitioners/A.1 & A.2 are influential persons and there is every likely hood of threatening the witnesses from giving evidence in the course of investigation. Further they will create hurdles in the process of collection of documentary evidence. Viewed from any angle, it is not a fit case, to consider the case of the petitioners for grant of bail.

12. Accordingly, the Criminal Petition is dismissed. Miscellaneous petitions, if any pending, shall stand closed.

**Dr. SHAMEEM AKTHER, J**

Date:15.2.2019
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