

HON'BLE SMT. JUSTICE LALITHA KANNEGANTI

CRIMINAL PETITIONS No. 8383 AND 8384 of 2021

COMMON ORDER:

Both these Criminal Petitions under Sections 437 and 439 Cr.P.C. are filed by petitioners – Accused Nos.1 and 2 respectively in Crime No. 117 of 2021 on the file of P.S. Central Crime Station, Hyderabad registered for the offences punishable under Sections 406 and 420 read with Section 34 IPC., seeking bail.

2. The case of the prosecution is that, the complainant is Promoter and Chairman of Gayatri Projects Limited (GPL) and doing business in Infrastructure and Highway Development. While so, the petitioners of Champion Finsec Limited (CFL) approached GPL and informed to arrange loan with a charge of one percent commission. Believing them, GPL agreed to take loan of Rs.11,50,63,575/- against the shares of 69,63,000 valued about Rs.33.05 as on that date. In order to get loan, eventually, GPL pledged only 32,50,000 shares with CFL as collateral *vide* Master Loan Agreement dated 17.06.2021. As per the terms of the agreement, the loan amount in proportion to the shares pledged was to be transferred to GPL account on or before 12.07.2021. But CFL has not even transferred a penny of the loan amount to GPL account and further, it was found that on 08.07.2021, CFL illegally invoked the pledged shares and sold in the open market.

3. Sri Dammalapati Srinivas, learned Senior Counsel appearing on behalf of learned counsel for petitioners Sri Rohit

Pogula submits that the whole transaction is purely civil in nature and dispute is with regard to a Master Loan Agreement and it is the case of the complainant that petitioners failed to honour the same and there is breach of contract. According to the learned Senior Counsel, the complainant had already approached the High Court of Bombay on 17.07.2021 and the said Court passed an order protecting the interests of the complainant and directed the petitioners to deposit Rs.9,05,55,000/- which was deposited on 17.08.2021. It is also stated that the complainant has initiated arbitration proceedings and has signed his claim petition before the Arbitrator, on 24.08.2021. Learned Senior Counsel submits that petitioners were arrested on 04.11.2021 and later, police sought their custody. It is further submitted that whether there is breach of contract or not and what is the amount complainant is entitled to, has to be decided by the Arbitrator and this criminal proceedings were initiated only to mount pressure on the petitioners to settle the civil disputes between them, hence, their case may be considered for grant of bail.

4. Learned counsel Sri S. Ram Babu appearing on behalf of Respondents 2 and 3, who have been impleaded as party respondents, submits that according to them, share value is Rs.225/- and Bombay High Court considered it as Rs.30/- as on that date and only directed petitioners to deposit the amount of Rs.9 crores. According to the learned counsel, the shares are worth about Rs.72 crores. He submits that if petitioners are enlarged on bail, there is every possibility that they may tamper with the evidence and influence the witnesses. Relying on notice dated 29.06.2021, learned counsel submits that this particular

notice styled as 'notice of default' is a forged document. He submits that contrary to the terms of the Master Loan Agreement, petitioners sold the shares and as investigation is pending, at this stage, they are not entitled for grant of bail.

5. On the other hand, learned Assistant Public Prosecutor submits that police custody was given for four days and so far two witnesses were examined. He further submits that whole dispute is about breach of contract for which petitioners may have to initiate appropriate proceedings. According to him, investigation is still in progress.

6. Heard learned counsel on either side and perused the material on record.

7. The whole dispute revolves around the agreement, dated 17.06.2021 and it appears, from the material on record that the parties have already approached different fora ie. High Court of Bombay and Arbitration proceedings were also initiated as the High Court of Bombay directed petitioners to deposit Rs. 9 crores. Further, police have also taken custody of petitioners for about four days and the said period is also completed. There is nothing placed on record to show that if the petitioners are enlarged on bail, there is any likelihood of tampering with the evidence or hampering with the investigation process. Taking the facts of the case into consideration and as the petitioners are languishing in jail from 04.11.2021, this Court deems it appropriate to grant bail to them.

8. The Criminal Petition is allowed and petitioners – Accused Nos. 1 and 2 shall be released on bail in connection with

Crime No. 117 of 2021, P.S. Central Crime Station, Hyderabad on each of them executing a personal bond for a sum of Rs.20,000/- (Rupees twenty thousand only) with two sureties for a like sum each to the satisfaction of XII Additional Chief Metropolitan Magistrate, Nampally, Hyderabad. Petitioners shall cooperate with the investigation and shall not leave the country until further orders.

23rd November 2021

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LALITHA KANNEGANTI, J