

THE HONOURABLE DR.JUSTICE G.RADHA RANI

CRIMINAL PETITION No.3204 OF 2024

ORDER:

This Criminal Petition is filed by the petitioners – Accused Nos.2, 5 and 6 under Section 438 of Code of Criminal Procedure, 1973 (for short “Cr.P.C”), to release them on anticipatory bail in Crime No.159 of 2024 of Karimnagar II Town Police Station, Karimnagar District, registered for the offences punishable under Section 420 of Indian Penal Code, 1860 (for short, ‘IPC’) and Section 5 of Telangana Protection of Depositor’s of Financial Establishment Act-1999 (for short, ‘TSPDFE Act’)

2. The case of the prosecution in brief was that on 21.02.2024 at 12:00 hrs, the *de facto* complainant lodged a report before the police stating that the Directors of M/s. Akshara Chit Funds Company Private Limited have cheated him by avoiding to pay the chit amount of Rs.7,20,000/- after completion of chit

installments. Basing on the said report, the above crime was registered.

3. Heard the learned counsel for the petitioners-Accused Nos.2, 5 and 6 and the learned Additional Public Prosecutor for the respondent-State.

4. Learned counsel for the petitioners/accused Nos. 2, 5 and 6 submitted that M/s. Akshara Chit Funds Private Limited Company was a company registered under the Indian Companies Act, dealing with the business of chit funds. The Provisions of the Chit Fund Act, would govern the chit series run by the company. If any amount was not paid to the subscriber after closure of the chit, he had to approach the Chit Registrar under the provisions of Chit Funds Act and make an application before the Chit Registrar for recovery of the amount. The Company was not collecting deposits from the public as well as customers on interest basis. He further submitted that the *de facto* complainant even before closure of the chit had demanded for return of the amount. The Branch Manager/Foreman and the Executive

Director of the chit fund company were responsible for the day to day affairs of the said branch. The Directors of the chit fund company are not responsible for the day to day affairs of the branch. Even according to the *de facto* complainant he had not deposited the amount for interest. Thus, Section 5 of TSPDFE Act has no application to the facts and prayed to enlarge the petitioners/accused Nos.2, 5 and 6 on anticipatory bail.

5. Learned Additional Public Prosecutor opposed grant of anticipatory bail to the petitioners/accused Nos.2, 5 and 6 stating that Section 5 of TSPDFE Act also would attract to the facts of the case.

6. Perused the record.

7. Considering the averments made by the *de facto* complainant in the report that he was a subscriber to the chits in M/s. Akshara Chit Funds Private Limited and the provisions of Chit Fund Act governs the chit series and Section 5 of TSPDFE Act had no application as the company not collected the deposits

from the customers on interest basis and as the contents of the complaint also would not disclose that the chit series was completed and as the petitioners were demanding for return of amount even prior to the closure of the chit and also considering the fact that the petitioners were Directors of the Company who were not responsible for the day to day affairs of the branch, it is considered fit to enlarge the petitioners/accused Nos.2, 5 and 6 on anticipatory bail.

8. Accordingly, the Criminal Petition is allowed directing the petitioners/accused Nos. 2, 5 and 6 to be released on anticipatory bail subject to the following conditions:

- i) The petitioners-Accused Nos. 2, 5 and 6 are directed to surrender before the Station House Officer, Karimnagar II Town Police Station, Karimnagar District, within a period of (15) days from the date of this order. On such surrender, the said Station House Officer shall release the petitioners on bail, on their executing a personal bond for a

sum of Rs.25,000/- (Rupees Twenty Five Thousand only) each with two sureties for a like sum each to the satisfaction of the said Station House Officer.

- ii) The petitioners/Accused Nos. 2, 5 and 6 shall abide by the conditions stipulated in Section 438(2) of Cr.P.C.

Miscellaneous applications, pending if any, shall stand closed.

Date:22nd March, 2024
dgr

Dr. G.RADHA RANI, J