THE HONOURABLE DR.JUSTICE G.RADHA RANI

CRIMINAL PETITION No.3415 OF 2024

O R D E R:

This Criminal Petition is filed by the petitioner-Accused No.6 under Sections 437 & 439 of Code of Criminal Procedure, 1973 (for short "Cr.P.C.") to enlarge him on regular bail in Crime No.168 of 2023 on the file of the Station House Officer, PS EOW Team-IX, CCS, Hyderabad, registered for the offences under Sections 406, 420 read with 34 of IPC and Section 5 of TSPDFE Act, 1999.

2. The case of the prosecution in brief was that on 18.05.2023 at 18.15 hours, the *de-facto* complainant lodged a report stating that he got introduced to one Y. Pratap Reddy through one Mohammed Shareef for investment in his company styled as 'VV Enterprises', who promised to assure returns of 8% to 12% per month on invested capital. As per the request of Y. Pratap Reddy, the complainant along with 28 others invested an amount of Rs.3,71,80,000/- in his company, wherein his associates and family members were managing the investments. They had also issued multiple cheques towards security for the invested capital. They provided returns for few months from the date of investment and later on discontinued to give returns and started behaving in a strange manner.

Later, the complainant and other victims approached Pratap Reddy and others to return back their capital amount but they failed to return. They smartly declined by showing the firm's bank account as insolvent. The complainant and others tried to deposit the cheques issued by Pratap Reddy and others, but they were rejected by the banks due to insufficient funds. Basing on the said report, the above crime was registered for the above offences.

3. Heard learned counsel for the petitioner/accused No.6 and the learned Additional Public Prosecutor for the respondent-State.

4. Learned counsel for the petitioner submitted that the petitioner had not collected any amount from the alleged victims. The complaint would not disclose his involvement in the above case. The respondent-police had falsely implicated the petitioner in the above crime. They served a copy on 14.02.2024 to the accused No.6, who was in Chanchalaguda Central Jail at Hyderabad and executed the PT warrant. When the bail application in Cr.No.184 of 2022 was posted 'for orders' on 22.02.2024, the petitioner was remanded to judicial custody on 22.02.2024 in the present crime and since then, he was in custody. The petitioner had no knowledge about the alleged offence, there was no whisper about his involvement in the FIR/panchanama and prayed to enlarge the petitioner on bail.

5. Learned Additional Public Prosecutor opposed grant of bail to the petitioner stating that the petitioner was involved in similar other cases. He was taken into custody on 23.01.2024 in Cr.No.184 of 2022 by Police Station EOW, Team VII, CCS, Hyderabad. The said case was also registered for the offences under Sections 406, 420 read with 34 of IPC and Section 5 of TPDFE Act, 1999. The petitioner was shown as A3 in the said case. The partners of VV Enterprises had transferred the depositors' amounts to M/s. Shri Guru Datta Enterprises. The petitioner was one of the Directors of M/s. Shri Guru Datta Enterprises. The partners of VV Enterprises transferred an amount of Rs.19.60 crores to M/s. Shri Guru Datta Enterprises in Cr.No.184 of 2022 and transferred an amount of more than Rs.3 crores of the depositors amounts to the petitioner's firm. The petitioner was also involved in two other crimes in Crime Nos.662 and 664 of 2022 of similar nature. As such, he was not entitled to be released on bail and prayed to dismiss the bail petition.

6. Perused the record.

7. As seen from the record, the complainant and other victims had invested in a company by name, VV Enterprises run by A1 to A3 and the said firm was established by Sri A.V.V. Satyanarayana, who was shown as A7. It was alleged that Sri Y. Pratap Reddy, who was shown as A1,

collected deposits from the complainant and several other victims and made false promises that they would give returns of 8% to 12% per month on the capital amount paid by the depositors and collected crores of rupees. It was alleged that subsequently he transferred money to Shri Guru Datta Enterprises, a firm run by A4 and A6.

8. The contention of the learned counsel for the petitioner was that as Sri A.V.V. Satyanarayana (A7), who established the firm VV Enterprises was unable to pay his dues, he attempted to commit suicide twice due to the pressure imposed by his clients for payment of money deposited by them. M/s.Shri Guru Datta Enterprises, out of humanitarian grounds, had entered into a Memorandum of Understanding with VV Enterprises on 10.07.2021 to arrange funds of Rs.10,48,30,000/- per month to VV Enterprises for a period of 11 months from the month of the agreement and came to an understanding with the first party i.e., VV Enterprises to pay the due amount to their clients in two equal installments i.e., 50% on or before 15th of every month and the remaining 50% on or before 30th of every month and the first party i.e., VV Enterprises agreed to collect only their principal amount invested without any interest within the agreement period and it was also agreed that the list of clients with their principal amounts attached to the agreement only would be considered as dues and

only the said amounts would be cleared within the said period by the second party and the first party i.e., VV Enterprises also agreed to provide MOU bonds with an attached post dated cheques from his registered company as security. The said agreement was executed on 10.07.2021, but the same was cancelled on 12.01.2022, as Sri A.V.V. Satynarayana did not want to execute any bond or issue any post dated cheques to the second party (M/s. Shri Guru Datta Enterprises) as stipulated in MOU dated 10.07.2021 and he decided to clear the dues of his clients by himself. As he came back to his composure and decided to clear the dues of his clients, the MOU was cancelled.

9. Learned counsel for the petitioner further submitted that due to the cancellation of the MOU, the petitioner or his firm M/s. Shri Guru Datta Enterprises was no way concerned with the amount due to the clients of M/s. VV Enterprises and filed the copies of the MOU dated 10.07.2021 and the deed of cancellation of MOU dated 12.01.2022.

10. Considering the above documents filed by the learned counsel for the petitioner and as the complainant or the other alleged victims had not deposited any amount in M/s. Shri Guru Datta Enterprises and there was no obligation on their part to pay the amount invested by the depositors in VV Enterprises, in view of any subsisting contract or agreement between

the said two firms and as the petitioner-A6 was in custody since 22.02.2024 in this crime and as it was reported that the petitioner was enlarged on bail in all other crimes in which, he was reported to have been involved, it is considered fit to enlarge the petitioner-A6 on bail on certain conditions.

11. Accordingly, this Criminal Petition is allowed and the petitioner/Accused No.6 shall be released on regular bail subject to the following conditions:

i) The petitioner/Accused No.6 shall execute a personal bond for a sum of Rs.50,000/- (Rupees Fifty thousand only) with two sureties for a likesum each to the satisfaction of the learned Metropolitan Sessions Judge, Hyderabad.

ii) The petitioner/Accused No.6 shall abide by the conditions stipulated in Section 437(3) of Cr.P.C.

Miscellaneous applications, pending if any, shall stand closed.

Dr. G.RADHA RANI, J

Date: 04.04.2024
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