

THE HON'BLE SRI JUSTICE B. VIJAYSEN REDDY

CRIMINAL PETITION No.5611 of 2024

ORDER: (ORAL)

This criminal petition is filed, under Section 438 of the Criminal Procedure Code, seeking grant of anticipatory bail to the petitioner/A2 in Crime No.94 of 2024 of INSP ADMIN (DD) Police Station, Hyderabad, registered for the offence punishable under Section 420 of the Indian Penal Code, 1860 (for short 'IPC')

2. The case of the prosecution is that Mr. B. S. Manjunath, the authorized signatory of M/s. Kanunga Extrusion Private Limited stated that he is engaged in the business of trade of Iron and Steel. M/s. Chadalvada Infratech Limited (accused No.1) represented by its authorized signatory Mr. Chadalvada Ravindra Babu (accused No.2) approached him and placed order for the supply of Mild Steel and Hr Plates, sheets in the year 2011. The *de facto* complainant diligently sold and delivered the products which were accepted by the accused without any objection. The *de facto* complainant issued several invoices for the products supplied and the accused cleared the payment to a tune of Rs.5,00,000/- and

subsequently failed to make any further payments resulting in the outstanding amount of Rs.1,85,84,649/-.

3. It is stated that with an intention to clear the pending amounts, accused issued a cheque for a sum of Rs.70,00,000/- to the *de facto* complainant. However, the cheques were dishonoured when they were presented due to mismatch of signature in the accused bank account. It is alleged that despite assurances from the accused, he failed to clear the outstanding amount along with interest. The *de facto* complainant did not initiate any legal action with a belief in the accused in clearing the amount. The accused has diverted the funds to new projects in Chattisgarh, Assam and Bihar, without clearing the dues to the *de facto* complainant. He has diverted the amounts to benami companies, his friends and family members and relatives.

4. Heard both sides.

5. It is clear that dispute between the petitioner/A2 and *de facto* complainant is civil in nature regarding the recovery of outstanding dues. *Prima facie*, the offence under Section 420 IPC is not made

out. The case of the *de facto* complainant is only about the non payment of due amounts and the cheques given by the accused has been dishonoured. Insofar as the alleged diversion of funds is concerned, the *de facto* complainant is no way concerned with the new projects undertaken by the accused.

6. In the facts and circumstances of the case, this Court is inclined to grant anticipatory bail to the petitioner/A2.

7. Hence, the criminal petition is allowed and the petitioner/A2 is directed to surrender before the Station House Officer, INSP ADMIN (DD) Police Station, Hyderabad, within 15 days from today. On such surrender, the petitioner shall be released on bail on his executing a personal bond for a sum of Rs.10,000/- (Rupees Ten Thousand only) with two sureties for a like sum each to the satisfaction of the said Station House Officer. Further, on such release, the petitioner shall abide by the conditions as under:

1. The petitioner shall make himself available for investigation as and when required by the police.
2. The petitioner shall not, directly or indirectly, make any inducement, threat or promise to any

person acquainted with the facts of the case so as to dissuade him/her from disclosing such facts to the Court or to any police officer;

3. The petitioner shall not leave India without prior permission of the Court.

As a sequel, miscellaneous applications, if any, pending shall stand closed.

B. VIJAYSEN REDDY, J

Date: 30.05.2024.
MS/SSP