

THE HON'BLE Dr. JUSTICE G. RADHA RANI

CRIMINAL PETITION No.13104 OF 2024

ORDER:

This criminal petition is filed by the petitioner – accused No.4 under Sections 480 and 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (for short 'BNSS') for grant of regular bail in Crime No.75 of 2024 of EOW Cyber (Cyberabad) Police Station, Medchal - Malkajgiri District, registered for the offences under Sections 316 (2), 318 (4), 61 (2) of Bharatiya Nyaya Sanhitha and Section 5 of Telangana State Protection of Depositors of Financial Establishment Act, 1999.

2. The case of the prosecution, in brief, was that on 21.10.2024 at 10:45 hours, the *de facto* complainant lodged a report before the Deputy Commissioner of Police, Economic Offences Wing, Cyberabad stating that in December, 2022, he got a call from 'Square and Yards Company', wherein a telecaller explained him over phone about their buy back scheme. He was lured by their scheme. In the same month, he visited their office located in 8th floor, 810 Block, Manjira Trinity Corporate Survey No. 1050, Kukatpally, Hyderabad, wherein accused No.1 represented himself as the Director and

his wife Jahnavi represented as the Additional Director of M/s. Square and Yards, Byra Ajay Babu, Designated Partner, Venkata Akhil Garimella, Additional Director of Square and Yards, D. Raja Sekaram, owner of land in Sy.Nos. 189, 208, 211 and 212 (Extent of Ac. 23-25 guntas) situated at Tirumalagiri village, Balanagar Mandal, Mahaboobnagar District, Chaitanya Reddipalli of M/s. Ad Avenues explained about their schemes and offers and stated that they were jointly promoting the ventures and that they would give good returns every month and that they would register one gunta of Agricultural land at Tirumalagiri Village Balanagar Mandal, Mahaboobnagar District and would also issue post dated cheques as collateral security. Convinced by their words that if he deposited Rs. 17 lakhs, they would give Rs. 30,000/- every month for a period of 100 months and as they were promised that by investing in the project land, the land value would be appreciated over a period of 12-15 years and along with that Chandra Sekar Byra also promised that they would plant sandal wood plants and after 12-15 years by selling the sandalwood trees they could get share of 50% profits, he deposited Rs. 34 lakhs in March, 2023 for which they registered

two plots each one of Ac.0-02220 (267 Square yards) of land in Sy.No. 190E/1/1/1/1/2 situated at Tirumalagiri village, Balangar Mandal, Mahaboobnagar District in his name and in the name of his wife A. Latha and he was given four post dated cheques of Rs. 30 lakhs towards collateral security and entered into MOU. After depositing the said amount they sent Rs. 60,000/- every month from March, 2023 to September, 2023. On his reference, one of his friend Challa Mrudula Paul also invested Rs. 40 lakhs in July, 2023 in the said Company. She also received returns for three months only. All of a sudden, they stopped sending any amounts to his account from September, 2023. Immediately, he called Chandra Sekhar Byra, but he failed to respond to his calls. After that, he went to the office and found that it was vacated. In a similar manner, they cheated several other victims to an extent of Rs. 3,30,75,000/- in the name of high returns/profits. Basing on the said report, the above Crime was registered. Accused Nos.1, 2, 4 and 6 were arrested on 23.10.2024.

3. Heard Sri V. Mallik, learned counsel appearing for the petitioner and learned Additional Public Prosecutor for respondent-State.

4. Learned counsel for the petitioner submitted that the petitioner was alleged to be one of the partners, but he joined the firm on 13.03.2024. The inducement and payments were said to be made on March, 2023, prior to his joining in the firm. The petitioner – accused No.4 had no knowledge about the representations made by the alleged partners. He further contended that Section 5 of TSPDFEA would not be applicable to the present case as per the judgments of this Court in W.P.No. 8013 of 2021 and in Crl.P.Nos.2906 and 2907 of 2023 dated 24.01.2024. He further contended that the definition of ‘deposit’ under Section 2(b) of the Telangana Protection of Depositors of Financial Establishments Act, 1999 would not include the investments made for transfer of immovable property and prayed for grant of bail to the petitioner.

5. Learned Additional Public Prosecutor, on the other hand, contended that the present petitioner was also enlisted as a Director in the ‘Square and Yards Company’ and whenever a Plot/Green unit was sold to the customers, all the accused Nos.1, 2 and 4 would share the amounts after paying commission to accused Nos.3 and 6 and paying around 8 to 9 lakhs to the land

owner. The petitioner, along with the other accused, was involved in deceiving individuals by convincing them to invest their hard earned money. Initially, they would make payments to the investors for a short period, but eventually, they failed to continue to make these payments and cheating the victims, as such, prayed to dismiss the bail application filed by the petitioner.

6. Considering the submissions of the learned counsel for the petitioner and the judgments of this Court in W.P.No. 8013 of 2021 and in Crl.P.Nos.2906 and 2907 of 2023, wherein, it was held that as per Section 2 (b) of the Telangana Protection of Depositors of Financial Establishments Act, 1999, which defines the term 'deposit' means the deposit of a sum of money either in lump sum or installments made with a financial establishment for a fixed period, for interest or return in any kind. As it would not include investments made for transfer of immovable property, it is considered that Section 5 of the TSPDFEA, would not *prima facie* attract to the facts and circumstances of the case and the petitioner joined the Company after the representations made by accused Nos.1 and 2 to the *de facto* complainant and

others, as the said offences under Sections 316(2) and 318(4) also *prima facie* do not appear to be applicable to the petitioner herein, and as the petitioner is in custody since 23.10.2024 and his guilt or innocence can be decided only after a full-fledged trial and his custody was not required for any custodial interrogation, it is considered fit to enlarge the petitioner on bail.

7. In the result, this Criminal Petition is allowed, directing the petitioner – accused No.4 to be released on bail subject to the following conditions:

- i) The petitioner - accused No.4 shall execute a personal bond for a sum of Rs.50,000/- (Rupees Fifty thousand only) with two sureties each for a like sum to the satisfaction of the XII Additional Judicial Magistrate of First Class, Medchal-Malkajgiri District at Kukatpally.
- ii) The petitioner – accused No.4 shall abide by the conditions stipulated in Section 480 (3) of Bharatiya Nagarik Suraksha Sanhitha, 2023.

Miscellaneous applications, if any, pending, shall stand closed.

Dr. G. RADHA RANI, J

Dt: 07.11.2024

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THE HON'BLE Dr. JUSTICE G. RADHA RANI

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Date: 07.11.2024

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