IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

MONDAY, THE TWENTY SEVENTH DAY OF APRIL TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE SRI JUSTICE J SREENIVAS RAO

CRIMINAL PETITION NO: 6355 OF 2026

Between:

1. M/s. GTN Engineering (I) Ltd., (formerly M/s. Perfect Knitters Ltd.,), Rep. by its authorized representative Sri Mahendra Kumar Patodia, S/o.late Madanlal Patodia, aged 73 years, Occ: Managing Director of Petitioner, Plot No. 29, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082
2. Sri Mahendra Kumar Patodia, S/o.late Madanlal Patodia, aged 73 years, Occ: Managing Director of Petitioner No,1, R/o.8-2-333/16A, Plot No.145, Road No.3, Banjara Hills, Hyderabad 500 034.

...Petitioner/Accused

AND

1. The State of Telangana, Rep. by Special Public Prosecutor For Enforceament Directorate, High Court of Telangana at Hyderabad.
2. Telangana State Pollution Control Board, Rep. by its Environmental Engineer, B.V.Bhadra Girish, S/o.B.P.Vithal, aged 55 years, Occ: Regional Officer-I, Sanga Reddy.

...Respondent

Petition under Section 528 of BNSS praying that in the circumstances stated in the Memorandum of Grounds of Criminal Petition, the High Court may be pleased to quash the proceedings intiated against the Petitioner in SC No. 123 of 2025 (ECIR/HYZO/06/2024) on the file of the Metropolitan Sessions Judge, under the Prevention of Money Laundering Act (PMLA), 2002 at Nampally, Hyderabad) (Special Court constituted under Section 43(1) of the Prevention of Money Laundering Act, 2002).

I.A. NO: 1 OF 2026

Petition under Section 528 of BNSS praying that in the circumstances stated in the Memorandum of Grounds of Criminal Petition, the High Court may be pleased to direct the Respondent No.1 to return the Passport bearing No.ZA263110 of the Petitioner.

I.A. NO: 2 OF 2026

Petition under Section 528 of BNSS praying that in the circumstances stated in the Memorandum of Grounds of Criminal Petition, the High Court may be pleased to stay all further proceedings in SC No. 123 of 2025 (ECIR/HYZO/06/2024) on the file of the Metropolitan Sessions Judge, under the Prevention of Money Laundering Act (PMLA), 2002 at Nampally, Hyderabad) (Special Court constituted under Section 43(1) of the Prevention of Money Laundering Act, 2002) during pendency of the present writ petition.

This Petition coming on for hearing, upon perusing the Memorandum of Grounds of Criminal Petition and upon hearing the arguments of Sri V Murali Manohar, Advocate for the Petitioners and Sri D Narender Naik, the Special Public Prosecutor on behalf of the Respondent Nos. 1 and 2.

The Court made the following: ORDER

IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

THE HONOURABLE SRI JUSTICE J.SREENIVAS RAO

CRIMINAL PETITION No.6355 of 2026

Date: 27.04.2026

Between:

M/s.GTN Engineering(I) Ltd and another

...Petitioners

AND

The State of India and another

...respondents

ORDER

This Criminal Petition has been filed by the petitioners/accused Nos.1 and 2, seeking to quash the proceedings in S.C.No.123 of 2025(ECIR/HYZO/06/2024) on the file of the learned Metropolitan Sessions Judge under the Prevention of Money Laundering Act (PMLA), 2002 at Nampally, Hyderabad.

2. Heard Mr.V.Murali Manohar, learned counsel for the petitioners and Mr.D.Narender Naik, learned Special Public Prosecutor for respondent Nos.1 and 2.

3. With their consent, the criminal petition is disposed of at the stage of admission.

4. Learned counsel for the petitioners submits that petitioner No.1 filed an application vide Crl.M.P.No.2841 of 2024 in C.C.No.192 of 2020 on the file of the learned I Additional Junior Civil Judge-cum-Judicial Magistrate of First Class, Sangareddy, seeking discharge. The learned trial Court, by order dated 22.01.2026, allowed the said application and discharged petitioner No.1 for the offences under Sections 24 and 23 of the Water (Prevention and Control of Pollution) Act, 1974, (for short 'WPCP Act') and Section 19 of the Environment (Protection) Act, 1986, (for short 'EP Act') and the said order has become final. Petitioner No.2 was not made as an accused in C.C.No.192 of 2020; on the other hand, he has been implicated as an accused in the present complaint in the absence of any allegation. He further submits that once petitioner No.1 was discharged for the predicate offence in C.C.No.192 of 2020 by the learned trial Court, the continuation of the proceedings against the petitioners in the present S.C. is a clear abuse of process of law.

5. Learned Special Public Prosecutor has not disputed about discharging petitioner No.1 in C.C.No.192 of 2020.

6. Having considered the rival submissions made by the respective parties and upon perusal of the material available on record, it reveals that petitioner No.1 filed an application invoking the provisions of Section 227 of Cr.P.C. vide Crl.M.P.No.2841 of 2024 in C.C.No.192 of 2020, seeking discharge. The learned trial Court, after considering the contentions of the respective parties and upon perusal of the record, allowed the said application on 22.01.2026, and petitioner No.1 was discharged for the offences under Sections 24 and 23 of the WPCP Act and Section 19 of the EP Act in C.C.No.192 of 2020. Even according to the parties, the said order has become final. Once petitioner No.1 was discharged for the predicate offences levelled against it in C.C.No.192 of 2020, implicating it in S.C.No.123 of 2025 under the provisions of Section 43(1) of the Prevention of Money Laundering Act, 2002 is not permissible under law. It is also not in dispute that petitioner No.2 was not made as an accused in C.C.No.192 of

2020; however, petitioner No.2 has been made an accused in S.C.No.123 of 2025. When petitioner No.2 was not made an accused in the predicate offence, implicating him as an accused in the present S.C. is also not permissible under law.

7. Hence, this Court is of the view that continuation of the proceedings against the petitioners is a clear abuse of process of law and the proceedings against the petitioners in S.C.No.123 of 2025(ECIR/HYZO/06/2024) on the file of the learned Metropolitan Sessions Judge under the Prevention of Money Laundering Act (PMLA), 2002 at Nampally, Hyderabad are hereby quashed.

8. Accordingly, the criminal petition is allowed.

Pending miscellaneous applications, if any, shall stand closed.

SD/- B.REKHA RANI
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. The Metropolitan Sessions Judge, under the Prevention of Money Laundering Act (PMLA), 2002 at Nampally, Hyderabad(Special Court constituted under Section 43(1) of the Prevention of Money Laundering Act, 2002)
2. Two CCs to the Public Prosecutor, High Court for the State of Telangana, at Hyderabad.[OUT]
3. One CC to Sri V Murali Manohar, Advocate [OPUC]
4. One CC to Sri D Narender Naik (Standing Counsel For Central Govt) [OPUC]
5. Two CD Copies

Sa/KA

HIGH COURT

DATED: 27/04/2026

ORDER

CRLP.No.6355 of 2026



ALLOWING THE CRIMINAL PETITION

(8)

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4/5/26