

IN THE HIGH COURT OF JUDICATURE AT HYDERABAD  
FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA PRADESH

[Special Original Jurisdiction]

MONDAY THE THIRTY FIRST DAY OF OCTOBER  
TWO THOUSAND AND SIXTEEN

PRESENT  
**HONOURABLE SRI JUSTICE SURESH KUMAR KAIT**

**CRIMINAL PETITION NOS. 14984, 14987 & 14974 OF 2016**

Between: CRIMINAL PETITION No. 14984 of 2016.

Marriboina Venkaiah & Anr. ... Petitioners/A-13 & A-18

V/s.

The State of Andhra Pradesh  
Represented by its Public Prosecutor [AP]  
High Court of Judicature for the State  
Of Telangana & Andhra Pradesh,  
Hyderabad. ... Respondent  
Through the Station House Officer,  
Peddapappur Police Station, [Cr.No.6/2014]  
Ananthapur District.

Between: CRIMINAL PETITION No. 14987 of 2016.

Marriboina Venkaiah & Anr. ... Petitioners/A-13 & A-18

V/s.

The State of Andhra Pradesh  
Represented by its Public Prosecutor [AP]  
High Court of Judicature for the State  
Of Telangana & Andhra Pradesh,  
Hyderabad. ... Respondent  
Through the Station House Officer,  
Kalyandurgam [T] Police Station, [Cr.No.91/2013]  
Ananthapur District.

Between: CRIMINAL PETITION No. 14974 of 2016.

Marriboina Venkaiah & Anr.

... Petitioners/A-13 & A-18

V/s.

The State of Andhra Pradesh  
Represented by its Public Prosecutor [AP]  
High Court of Judicature for the State  
Of Telangana & Andhra Pradesh,  
Hyderabad.

... Respondent

Through the Station House Officer,  
Ananthapur I-Town Police Station, [Cr.No. 237/2012]  
Ananthapur District.

Counsel for the Petitioners:

Sri Akshat Sanghi

Counsel for the Respondents:

Public Prosecutor [AP]

The court made the following:

[common order follows]



**HONOURABLE SRI JUSTICE SURESH KUMAR KAIT**

**CRIMINAL PETITION NOS. 14984, 14987 & 14974 OF 2016**

**COMMON ORDER :**

In all these Criminal Petitions, the role of the petitioners is almost same and the issues raised in these criminal petitions are one and the same. The learned counsel for the petitioners submits that all these criminal petitions may be decided by a common order. Accordingly, these Criminal Petitions are being disposed of by this common order.

2. Learned Additional Public Prosecutor submits that charge sheet has been filed in these cases against the petitioners. The modus operandi of the petitioners were that for short time the Company used to keep the Directors, collect the amount and then change by other Director so that sole responsibility will not come to any of the Director.

3. Akshaya Gold Farms and Villas India Limited [A-1] is a Public Limited Company, having their registered Office at Door No. 47-

14/9/9, 3<sup>rd</sup> Floor, HDFC Bank upstairs, Ptluri Mansion, Dwaraka Nagar, Main Road, Visakhapatnam city and registered under the provisions of the Companies Act, 1956 [U-45400 AP 2007 PLC 056203 dated 05/11/2007] and represented time to time by its Directors A-2 to A-23. All the accused indulged in conspiracy, cheating, misappropriation, violation of provisions under A.P. Protection of Depositors of Financial Establishments Act, 1999 and the Prize Chits and Money Circulation Scheme [Banning] Act, 1978. The accused collected deposits from gullible public under the guise of promoting real estate business and finally failed to repay the amount to the depositors during the period commencing from 05/11/2007 to till date.

4. I have heard the learned counsel for the parties.

5. As per the charge sheet, A-2, A-4, A-6, A-8, A-22 and A-23 incorporated the said Company on 05/11/2007 with A-2 Munagapati Sudhakar Rao as the Chairman and Managing Director. Subsequently, the remaining accused joined with A-1. Later on 01/11/2010 A-3 Bogi

Subramanyam became the Chairman and Managing Director after the resignation of A-2. A-4 Devaki Harnath Babu became the Chairman and Managing Director on 20/7/2013 after the resignation of A-3. Later A-5 Fainal Paulson Vemula on 01/9/2014 became the Chairman and Managing Director after the resignation of A-4. Thus, A-5 to A-23 remained as CMD or the Directors. They were running the Company under the guise of promoting real estate business and indulged in illegal money circulation business of collecting deposits from the innocent public in the guise of Real Estates and Developers and Farms and Villas by saying deceitful words that they were collecting deposits on periodical instalments with an assurance that the company will register a piece of land in the name of depositor as an equivalent to the money paid by the depositor or repay the amount at high rate of interest on maturity similar to that of the banks. Accordingly, the accused collected the money and issued certificates/bonds as if it was an advance to the amount for purpose

of a piece of land in square feet/unit basis. There is no demarcation of land for the depositor's deposit.

6. It is further stated in the charge sheet that on receipt of information about the violation of the provisions of Prize Chits and Money Circulation Schemes [Banning] Act, AP Protection of Depositors of Financial Establishments Act and cheating the general public by the accused and their Company, LW-43 U.Nagaraju, Inspector of Police, Ongole-I Town registered a suo motu case in Crime No. 89/2012 under section 420 IPC Section 4, 5 read with 2 [c], 3 of Prize Chits Money Circulation Schemes [Banning] Act, 1978 and section 5 of A.P. Protection of Depositors of Financial Establishments Act 1999 on 09/4/2012 at 09:00 hours and investigated into. During the course of investigation of Crime No. 89 of 2012 of Ongole-I Town Police Station, the investigating agency made searches and seized the material under a cover of panchanama on 11/4/2012 in the presence of mediators LWs 36 and 37 vide document No.30. During the course of investigation, the



Investigating Officer in the present crime, gathered the particulars of the bank accounts of the company and also freezed an amount of Rs.10,15,12,226-12 lying in different banks and also obtained the particulars of the land owned by the company and the said properties are attached by the Government of A.P. vide GO.Ms.No. 160, dated 05/12/2014 [Document No.43] and GO.Ms.No. 125, dated 11/8/2015 [document No.44].

7. Since the Company in question failed to repay the amount to its depositors as promised, in this regard 25 more cases are registered at various Police Stations across the State of Andhra Pradesh in addition to the present case in Crime No. 237 of 2012 registered for the offences under section 420, 406, 506 of IPC and under section 5 of APPDFE Act, 1999 and section 3, 4, 5, 6 read with section 2 [c] of Prize Chits Money Circulation Scheme [Banning] Act, 1978 of Ananthapur I-Town Police Station against the company and the accused.

8. It is pertinent to mention here that 25 crimes are mentioned in the charge sheet.

9. The first petitioner is A-23 and second petitioner is A-21. During the course of investigation of Crime No. 227 of 2013 of Adoni II-Town Police Station, LW-46 took the accused Fainal Paulson Vemula [A-5], Jakeer Hussain Kosigi [A-14], Nagaraju Manjula [A-17] and Balimiya Shaik [A-18] were taken to police custody on 28<sup>th</sup> and 29-4-2016 and thoroughly interrogated in the presence of mediators LWs 40 and 41 and their statements were recorded vide document Nos. 32 to 35. The accused Kukatla Srinivas [A-22] was also taken into police custody on 5/5/2015 and thoroughly interrogated in the presence of mediators LWs. 40 and 41 and their statements were recorded vide document No. 36. On 24/6/2016 LW-46 took the accused Bogi Subramanyam [A-3] into police custody and interrogated him thoroughly in the presence of mediators LWs. 40 and 41 and recorded his detailed statement vide document No.37. Further, LW-46 took the accused Devaki Harnath Babu [A-4],



Meetela Sreenivasa Rao [A-6], Talluri Sreenivasa Rao [A-11], Vela Sundaram [A-21] and Marriboina Venkaiah [A-23] were taken into police custody and interrogated them thoroughly in the presence of mediators LWs. 41 and 42 on 22, 23 and 24/7/2016 and recorded their detailed statements vide document Nos. 38 to 41. All the above accused have voluntarily confessed about the commission of offence in the present case.

10. During the course of investigation, LW-47 took A-4 Devaki Harnath Babu, A-21 Vela Sundaram and A-23 Marriboina Venkaiah, who were arrested in the cases of Kurnool district were taken on PT warrants on 03/8/2016 and produced them before the Principal District Judge's Court, Ananthapur in this case.

11. In these criminal cases, innocent gullible public of Andhra Pradesh, Telangana, Karnataka and Chattisgarh were cheated and the A-1 Company collected Rs. 920 Crores as on date as per the investigation. The said Company was created, incorporated with an intention to cheat the gullible public in this fashion. The modus

operandi of the petitioners is that the Directors used to come for a short span and after collecting the amount, new Director assumes charge of the said post. Till date, as stated by the learned Additional Public Prosecutor on instructions from Sri C. Rajeshwar Reddy, Additional Superintendent of Police, C.I.D., Hyderabad that the petitioner Marriboina Venkaiah is the founder person incorporating the Company and Vela Sundaram was the Chairman of the company. Thus, the petitioners herein in these criminal petitions are part of modus operandi, beneficiaries of the cheated amount.

12. Keeping in view the serious allegations against the petitioners in all these criminal petitions, the petitioners in connivance with the other accused have conspired and cheated the gullible public for more than 920 crores of rupees, therefore, I am not inclined to admit the petitioners on bail.

13. Finding no merit, the Criminal Petitions are accordingly dismissed.

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**JUSTICE SURESH KUMAR KAIT.**

31/10/2016  
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**HONOURABLE SRI JUSTICE SURESH KUMAR KAIT**

**CRIMINAL PETITION NOS. 14984,**  
**14987 & 14974 OF 2016 : DISMISSED**  
**[COMMON ORDER]**



Date: 31/10/2016  
Circulation No.  
Court Master: I s L