

IN THE HIGH COURT OF ANDHRA PRADESH AT AMARAVATI

FRIDAY, THE FIFTH DAY OF DECEMBER

TWO THOUSAND AND TWENTY FIVE

:PRESENT:

THE HONOURABLE DR JUSTICE Y. LAKSHMANA RAO

CRIMINAL REVISION CASE NO: 1364 OF 2025



Between:

1. KVR Exim Private Limited, rep.by its Chairman Sri Kotha Venkata Rao,R/o Flat No.2, 4th Floor, Easwar Plaza, Dwarka Nagar, Visakhapatnam.
2. Kotha Venkata Rao, Chairman, age 65 M/s KVR Exim Private Limited, R/o Flat No.701,MWMK Royal, FACOR layout, back side of four pointsShera Auto Hotel, Waltair Uplands, Siripuram,Visakhapatnam.
3. Bonu Tirupathi Naidu, Proprietor, age 60 M/s Vaishnavi Jute Traders, R/o D.No.7-31 near RCM Church, Bobbili Road, Rajam, Srikakulam.
4. Kolli Yeruku Naidu, Proprietor, age 56M/s Ramachandra Traders, R/o D.No.5-172, Adarsh Nagar, near MRP Colony, Rajam, Srikakulam.
5. Sri Lakshmi Srinivasa Jute Mills Pvt Ltd, rep.by its Managing Director Sri Kotha Venkata Rao, R/o Opp.TTD Kalyana Mandapam, Bobbili Road, Rajam, Srikakulam.

...Petitioners/Petitioners/A1 to A5

AND

The Central Bureau of Investigation, through Additional Superintendent of Police, CBI-ACB, Visakhapatnam.rep.by the Special Public Prosecutor.

...Respondent

Revision filed under Sections 438 and 442 of BNSS is filed praying that in the circumstances stated in the memorandum of grounds filed in support of the Criminal Revision Case, the High Court may be pleased to set- aside the order dated 30.10.2025 passed in CrI.M.P.No.1122 of 2024 in C.C.No.220 of

2023 by the Court of the V Additional Judicial Magistrate of First Class-cum-Judge for CBI Cases (Non-PC Act), Vijayawada and allow the CrI.M.P.

IA NO: 1 OF 2025

Petition under Section 528 of BNSS praying that in the circumstances stated in the memorandum of grounds filed in support of the petition, the High Court may be pleased to stay all further proceedings in C.C.No.220 of 2023 on the file of the Court of the V Additional Judicial Magistrate of First Class-cum-Judge for CBI Cases (Non-PC Act), Vijayawada, including appearance of the petitioners, Pending disposal of CRLRC 1364 of 2025, on the file of the High Court.

The Petition coming on for hearing, upon perusing the Petition and the memorandum of grounds filed in support thereof and upon hearing the arguments of SRI K VENKATESH Advocate for the Petitioners, and of SRI M.SRAVAN KUMAR, Spl. PUBLIC PROSECUTOR FOR C.B.I. for the Respondent, the Court made the following

ORDER:

Sri K. Venkatesh, learned counsel for the petitioners, relied on the judgments of the Hon'ble Apex Court in N.S Gnaneshwaran v. The inspector of Police¹; K. Bharathi Devi v. State of Telangana², wherein the Hon'ble Apex Court quashed the charges by invoking the jurisdiction under Section 482 of 'the Cr.P.C.,' on the ground that there was a full time settlement of the transaction between the banker and the debtors.

The learned Special Public Prosecutor for CBI relied on two judgments: State of Maharashtra Through Central Bureau of Investigation v. Vikram Anantrai Dish³ and Parbatbhai Aahir Alias

¹ 2025 LiveLaw (SC) 654

² (2024) 10 SCC 384

³ (2024) 15 SCC 29

Parbatbhai Bhimsinhbhai Kumar v. State of Gujarat⁴ to contend that the inherent powers of this Court under Section 482 Cr.P.C. to quash criminal proceedings are to be exercised with circumspection, particularly in cases involving economic offences. It was emphasized, with reference to point No.10 of Parbatbhai *supra*, that economic offences involving in the financial and economic well-being of the State have implications which lie beyond the domain of a mere dispute between the private disputants; The High Court would be justified in declining to quash where the offender is involved in an activity akin to a financial or economic fraud or misdemeanour. It is a debatable point whether the petitioners are entitled to be discharged or not. However, in the judgments of the Hon'ble Apex Court in K. Bharathi Devi and N.S. Gnaneshwaran, the facts and circumstances are quite akin to those of the present case. These two decisions, being the latest in point of time, warrant positive consideration as they endowed the current *stare decisis* on the issue.

Be that as it may, this is only at the stage of admission of the criminal revision case.

Admit.

The respondent is granted liberty to file a detailed counter.

The discharge petition filed by the petitioners was earlier dismissed by the learned Trial Court. The record reflects that the petitioners had availed a cash credit loan to the tune of Rs.10 crores from the Central Bank, and a Letter of Credit for Rs.7 crores was also obtained. Subsequently, the account of the petitioners came to be classified as a Non-Performing Asset (NPA), pursuant to which proceedings were initiated before the Debt Recovery Tribunal. Thereafter, a One-Time Settlement was arrived at between the petitioners

⁴ (2017) 9 SCC 641

and the bank. An Original Application was filed before the Debt Recovery Tribunal, and eventually an amicable settlement was reached between the petitioners and the bank. A "No Due Certificate" was issued by the bank to the petitioners on 15.12.2000.

However, an FIR was lodged at the behest of the bank on 20.07.2016 alleging misutilisation of funds and submission of false documents. In the course of investigation, it was found that the officers of the bank were no longer required to be continued as accused, and accordingly they were deleted from the array of accused.

The petitioner/Accused No.2 is aged about 65 years, Petitioner No.3 is aged about 60 years, and Petitioner No.2 is representing Petitioner No.1. Petitioner No.5 is also represented by Petitioner No.2.

Having regard to the above facts and circumstances, this Court is inclined to grant stay of all further proceedings in C.C. No.220 of 2023 on the file of the learned V Additional Judicial Magistrate of First Class-cum-Judge for CBI Cases (Non-PC Act), Vijayawada, including the personal appearance of the petitioners, pending disposal of the Criminal Revision Case.

Call for the records from the learned Trial Court.

List after six (06) weeks.

SD/- K.TATA RAO
DEPUTY REGISTRAR

SECTION OFFICER

//TRUE COPY//

For

To,

1. The V Additional Judicial Magistrate of First Class-cum-Judge for CBI Cases (Non-PC Act), Vijayawada

2. The Additional Superintendent of Police, CBI-ACB, The Central Bureau of Investigation, Visakhapatnam
3. One CC to SRI. K VENKATESH Advocate [OPUC]
4. One CC to SRI. M.SRAVAN KUMAR, Spl. PUBLIC PROSECUTOR FOR C.B.I. [OPUC]
5. The Section Officer, Criminal Section, High Court of Andhra Pradesh, Amaravati
6. One spare copy

PSR

HIGH COURT

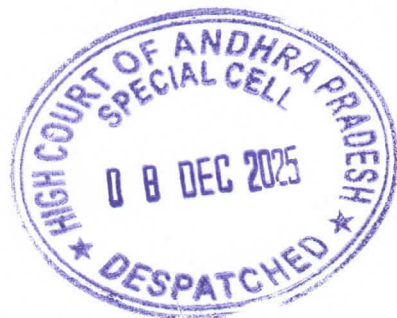
DR.YLR,J

DATED:05/12/2025

NOTE: LIST AFTER SIX (06) WEEKS.

ORDER

CRLRC.No.1364 of 2025



INTERIM STAY