***Report on Snovasys software solutions – Bonded labour issue***

*This company allegedly requires candidates to submit bank cheques worth several lakhs of rupees, along with their original academic certificates, as a precondition for employment. While this may not strictly meet the legal definition of bonded labour, such coercive employment practices create an exploitative environment that prevents employees from resigning or pursuing better opportunities for up to three years after joining. This three-year bond period is unusually long and restrictive.*

*If an employee resigns, the company reportedly takes actions that could seriously damage their career, including:*

1. *Filing fraudulent cheque-bounce cases by misusing undated, pre-signed cheques obtained at the time of appointment*
2. *Withholding original certificates submitted during hiring.*
3. *Refusing to provide background verification when approached by a new employer.*
4. *Withholding relieving letters, no-dues certificates, and experience letters if the employee leaves before completing three years.*
5. *Filing false or fabricated police complaints and court cases, thereby sabotaging the careers of young professionals.*

*In the case of complainant Srihari Maddineni, the company allegedly subjected him to continuous harassment and intimidation after he voiced concerns about these unlawful and unethical labour practices. The reported actions included:*

* 1. Issuing threats through legal notices related to fabricated cheque-bounce cases.
  2. Filing police complaints in disputes that legally fall under civil jurisdiction.
  3. Circulating defamatory emails to his current employer, demanding immediate termination.
  4. Exhibiting improper and hostile conduct towards labour department officials.
  5. Sending repeated legal notices through lawyers.
  6. Serving multiple court summons to cause distress.
  7. Summoning him to the police station on baseless and fabricated grounds.
  8. Threatening to misuse police influence by registering an FIR against him at 1 Town Police Station.
  9. Engaging in cross-border harassment through Madhapur Police Station, Telangana.
  10. Fabricating false scenarios to entrap employees in criminal FIRs.

*In conclusion, the practices adopted by Snovasys Software Solutions constitute bonded labour and reflect a systematic pattern of employee exploitation.*

**Evidence of Retaliation Against Mr. Srihari Maddineni**

*The following documents demonstrate how Mr. Srihari Maddineni sought to bring the company’s systemic exploitation and bonded labour practices to the notice of the Government:*

1. *Complaint to the Commissioner of Labour through the Hon’ble Chief Minister’s Grievance Cell.*
2. *Complaint to the Deputy Commissioner of Labour, Ongole.*
3. *Complaint to the District Collector and Magistrate.*
4. *Complaint to 1 Town Police Station against harassment.*
5. *Complaint to the Superintendent of Police, Prakasam District.*

*It is clear that, solely because Mr. Srihari Maddineni acted as a whistle-blower and reported the company’s unethical and illegal labour practices to the authorities, the company retaliated by subjecting him to continuous harassment. This can be observed from the chronological sequence of complaints and retaliatory actions.*

***Retaliatory Actions by the Company***

*Following his complaint to the Commissioner of Labour, the company initiated multiple retaliatory actions, including but not limited to:*

1. *Filing a cheque-bounce case against his mother, Mrs. Saraswathi Maddineni (W/o Ravi Maddineni), under Section 138 before the Court of II AMM.*
2. *Sending a defamatory email, authored by Mr. Visweswar Reddy (HR Manager, Snovasys Software Solutions), to Mr. Maddineni’s current employer Tech Mahindra, seeking his immediate termination.*
3. *Summoning him multiple times to 1 Town Police Station and threatening to register an FIR, despite the matters being civil in nature where police have no jurisdiction.*
4. *Despite Mr. Maddineni submitting a written complaint against harassment to 1 Town Police Station, the company allegedly used police influence not only to suppress his complaint but also to issue further threats, claiming that his complaint had gone “missing.”*
5. *After Mr. Maddineni approached the Superintendent of Police, a false and malicious cybercrime case was filed against him in Madhapur Police Station, Telangana, constituting cross-border harassment. This can be verified with Inspector Vijay Naik and Constable Santosh (+91 87125 13052).*
6. *On 6th March 2025, Inspector Vijay Naik declined to register an FIR due to lack of evidence. However, the very next day (7th March 2025), a fabricated FIR was filed in Ongole 1 Town Police Station, alleging that Mr. Maddineni had caused a nuisance and threatened the HR department on 21st January 2025. The 45-day delay between the alleged incident and the FIR filing demonstrates clear malicious intent and harassment.*

***Actual Events on 21st January 2025 as per observations.***

*As per documented observations:*

1. *Mr. Maddineni was pressured to sign a “confession statement” falsely admitting that his complaints against the company were fabricated and intended to damage its reputation. (Supporting documents attached.)*
2. *Upon refusing to sign, he was instructed to send an email to CEO Mr. Srihari Kothapalli.*
3. *He was then asked to wait and leave the office by afternoon on 21st January 2025. This sequence can be confirmed through available call logs, WhatsApp chats, and discussions. (Relevant proofs attached.)*
4. *Thereafter, the company made several attempts to file a false FIR to sabotage his career.*
5. *Ultimately, a fabricated FIR was filed through court endorsement after a delay of 45 days, based on allegations by Mr. Siva Byrapuneni (Manager, Snovasys Software Solutions).*

***Findings***

*Based on the evidence and supporting documents provided by Mr. Srihari Maddineni, it is clear that:*

* *The company has engaged in* ***bonded labour practices*** *and systemic exploitation of employees.*
* *Retaliatory actions, including misuse of police influence and filing of false cases, have been employed to intimidate and silence whistle-blowers.*
* *The company’s use of the product* ***TimeChamp*** *constitutes a violation of employee privacy, including that of both current and former employees.*
* *The company’s practice of taking undated cheques worth lakhs of rupees and subsequently filing cheque-bounce cases against employees who have worked only 2–3 months is wholly unjustifiable, particularly when resources such as a laptop, mouse, or other essential tools were never provided to the employee for work purposes.*

*This privacy violation is further demonstrated by the attached email screenshot from a complaint filed by Mr. Siva Byrapuneni against Mrs. Saraswathi Maddineni. The email was received on* ***27th August****, despite Mr. Srihari Maddineni having resigned from the company on* ***17th August****, showing unauthorized monitoring of ex-employees.*

*Strong note:***To**  
The District Collector & Magistrate,  
Prakasam District.

**Subject:** Report on Bonded Labour Practices at *Snovasys Software Solutions*

**Reference:** Collector’s Order directing inquiry into bonded labour allegations against *Snovasys Software Solutions*.

**Report**

In compliance with the directions issued, I have examined the complaints and supporting documents relating to *Snovasys Software Solutions*, Ongole. Based on the evidence, it is established that the company has been engaging in **coercive and exploitative employment practices which amount to bonded labour**, as defined under the **Bonded Labour System (Abolition) Act, 1976**.

**Key Findings**

1. **Coercive Hiring Conditions**
   * Candidates are compelled to submit **bank cheques worth several lakhs of rupees** and **original academic certificates** at the time of joining.
   * Employment is tied to an unusually long **three-year bond**, preventing employees from resigning or pursuing better opportunities.
2. **Punitive Retaliation on Resignation**
   * **Fraudulent cheque-bounce cases** are filed using undated, pre-signed cheques.
   * Original certificates are **withheld** to prevent further education or employment.
   * **Relieving letters, no-dues certificates, and experience certificates** are denied.
   * **False police complaints and fabricated court cases** are filed to sabotage employees’ careers.
3. **Harassment of Whistle-blower (Mr. Srihari Maddineni)**
   * Continuous intimidation through legal notices and police summons.
   * A defamatory email sent by **Mr. Visweswar Reddy (HR Manager)** to his current employer Tech Mahindra seeking termination.
   * Filing of a cheque-bounce case against his mother, **Mrs. Saraswathi Maddineni**, under Section 138 of the NI Act.
   * **Cross-border harassment** through a false cyber-crime case filed in Madhapur Police Station, Telangana.
   * A fabricated FIR registered in Ongole 1 Town Police Station after 45 days’ delay, allegedly instigated by **Mr. Siva Byrapuneni (Manager)**.
4. **Privacy Violations**
   * The company uses software named **TimeChamp** to monitor employees, including those who have already resigned.
   * Evidence shows emails being sent to a resigned employee 10 days after resignation, indicating **unauthorized surveillance**.

**Legal Position**

The above practices collectively attract the following provisions:

* **Bonded Labour System (Abolition) Act, 1976** – Sections 2(g), 16, 17, 18 (prohibition and punishment of bonded labour).
* **Constitution of India** – Article 23 (prohibition of forced labour).
* **Indian Contract Act, 1872** – Section 23 (contracts opposed to public policy), Section 18 (misrepresentation).
* **Indian Penal Code** –
  + Section 383 (extortion),
  + Section 503 (criminal intimidation),
  + Section 406 (criminal breach of trust – withholding certificates),
  + Section 420 (cheating and dishonestly inducing delivery of property).
* **Information Technology Act, 2000** – Section 66E (violation of privacy).

The responsible persons identified include:

* **Mr. Srihari Kothapalli – CEO**
* **Mr. Visweswar Reddy – HR Manager**
* **Mr. Siva Byrapuneni – Manager**

**Recommendations**

In view of the above findings, it is recommended that:

1. **Prosecution** be initiated against *Snovasys Software Solutions* and the above-named officials under the **Bonded Labour System (Abolition) Act, 1976** and the relevant provisions of IPC and IT Act.
2. The **Superintendent of Police, Prakasam District**, may be directed to conduct a criminal investigation into the filing of false FIRs, misuse of police influence, and harassment of complainants.
3. The **Labour Department** may issue orders directing the company to:
   * Immediately **return all original certificates and cheques** held from employees.
   * **Withdraw false legal and police cases** filed against employees.
   * Provide **relieving letters and experience certificates** to all eligible employees.
4. Compensation may be recommended for affected employees, including **Mr. Srihari Maddineni**, for harassment and loss of livelihood opportunities.
5. The company may be **blacklisted from hiring fresh graduates in Prakasam District** until clearance is obtained from the Labour Department.
6. The **IT Department** may be informed to investigate the use of *TimeChamp* software for privacy violations.

**Conclusion**

From the evidence reviewed, it is concluded that **Snovasys Software Solutions has engaged in bonded labour and systematic exploitation of employees**, in violation of statutory and constitutional provisions. Immediate intervention and legal action are necessary to protect employees from further harassment and to uphold labour rights in the district.

**Submitted for kind perusal and necessary orders.**

**MRO, Ongole**  
*(Date)*

*Neutral note :*

**To**  
The District Collector & Magistrate,  
Prakasam District.

**Subject:** Report on Alleged Bonded Labour Practices at *Snovasys Software Solutions*

**Reference:** Collector’s Order directing inquiry into bonded labour allegations against *Snovasys Software Solutions*.

**Report**

In compliance with the directions issued, an inquiry was conducted into the allegations of bonded labour and employee exploitation by *Snovasys Software Solutions*. The matter came to notice through multiple complaints, particularly from **Mr. Srihari Maddineni**, who has raised concerns regarding the company’s employment practices and subsequent retaliation.

**Alleged Employment Practices**

It has been reported that:

1. Candidates are required to submit **bank cheques worth several lakhs of rupees** and their **original academic certificates** as a precondition for employment.
2. Employees are subjected to a **three-year bond period**, which restricts their ability to resign or pursue better opportunities.
3. In cases of early resignation, the company allegedly engages in the following actions:
   * Filing fraudulent cheque-bounce cases using pre-signed, undated cheques.
   * Withholding original certificates.
   * Refusing to provide background verification to prospective employers.
   * Withholding relieving letters, no-dues certificates, and experience letters.
   * Filing fabricated police complaints and court cases, adversely affecting careers.

**Case of Complainant: Mr. Srihari Maddineni**

Mr. Maddineni has submitted multiple complaints to different authorities, including:

1. Complaint to the Commissioner of Labour through the Hon’ble Chief Minister’s Grievance Cell.
2. Complaint to the Deputy Commissioner of Labour, Ongole.
3. Complaint to the District Collector and Magistrate.
4. Complaint to 1 Town Police Station against harassment.
5. Complaint to the Superintendent of Police, Prakasam District.

Subsequently, he alleges that the company engaged in **retaliatory actions**, including:

* Threats through legal notices related to cheque-bounce cases.
* Filing police complaints in matters of civil nature.
* Circulation of defamatory emails to his current employer.
* Improper conduct towards labour department officials.
* Issuing repeated lawyer notices and serving court summons.
* Summoning him to police stations on fabricated grounds.
* Threats of registering FIRs by misusing police influence.
* Cross-border harassment through Madhapur Police Station, Telangana.
* Fabricated FIRs after a delay of 45 days, allegedly to sabotage his career.

**Observations on 21st January 2025 Incident**

As per submitted evidence:

1. Mr. Maddineni was allegedly pressured to sign a confession statement admitting his complaints were false.
2. On refusal, he was instructed to send an email to the CEO.
3. He was later asked to leave the office by afternoon.
4. Thereafter, false FIR attempts were made, culminating in a delayed FIR filed through court endorsement.

**Additional Concerns**

* The company reportedly uses a product named **TimeChamp**, which allegedly monitors and tracks employee activities even after resignation, raising concerns of **privacy violations**.
* An example is cited where an email dated 27th August was received, despite Mr. Maddineni’s resignation on 17th August.

**Findings**

Based on the documents and evidence submitted, the following findings are noted:

1. The company’s requirement of undated cheques and retention of original certificates as a condition of employment creates a coercive environment inconsistent with fair labour practices.
2. The three-year mandatory bond period is unusually restrictive and may amount to indirect bonded labour.
3. There are indications of retaliatory actions against employees who raised complaints, including use of false legal and police proceedings.
4. Allegations of privacy violations through employee-monitoring software require further technical verification.

**Recommendations**

1. The matter may be referred to the **Labour Department** for detailed investigation under the **Bonded Labour System (Abolition) Act, 1976** and relevant labour laws.
2. The **Superintendent of Police, Prakasam District**, may be requested to verify allegations of misuse of police influence and false FIRs.
3. The **IT and Privacy Authorities** may be informed regarding possible employee privacy violations through monitoring software.
4. Employees’ complaints regarding withholding of certificates, relieving letters, and background verification may be addressed under the **AP Shops and Establishments Act** and other applicable provisions.
5. Until inquiry is completed, the company may be advised to refrain from coercive practices such as cheque-bounce cases and withholding of employee documents.

**Submitted for kind perusal and further orders.**

**MRO, Ongole**  
*(Date)*