THE HONOURABLE SMT. JUSTICE K. SUJANA

CRIMINAL PETITION No.13271 of 2024

ORDER:

Seeking the Court to enlarge the petitioners who are arrayed as accused Nos.3, 5, 7 and 8 in Crime No.642 of 2024 of Jagtial Town Police Station, Jagtial District, on bail, the present Criminal Petition is filed.

2. The brief facts of the case are that on 18.10.2024, at 15:10 hours, S. Venugopal, SHO of Jagtial Town Police Station, received information about a fraudulent operation conducted by Gummidalla Narsaiah, Kotha Ramulu, and others. They were running a pyramid scheme disguised as a multi-level marketing opportunity and unregulated deposit scheme, exploiting investors through the "RIXOS TRADE APP" and crypto currency "USDT BEP20." The scheme promised exceptionally high returns, but investors were misled by artificially inflated conversion rates and lured into activating "Boosters" that required additional financial contributions. This pyramid structure relied on recruiting new participants to increase profits, with returns not based on legitimate

business activity or sales. The scheme was inherently unsustainable and illegal, often collapsing when recruitment slowed, leaving most participants with significant financial losses.

3. Heard Sri Malipeddi Srinivas Reddy, learned counsel appearing on behalf of the petitioners as well as Sri Syed Yasar Mamoon, learned Additional Public Prosecutor appearing on behalf of the respondent.

4. Learned counsel for the petitioners submitted that Section 5 of the Telangana Protection of Depositors of Financial Establishments Act, 1999 does not apply since no victim deposited any amount, no victim statement was recorded, and no complaint was filed. He further submitted that the Investigating Officer failed to trace any amount allegedly taken by the accused. Therefore, the petitioners are not connected to the alleged offenses and requested the Court to grant bail by allowing this criminal petition.

5. On the other hand, learned Additional Public Prosecutor opposed the bail petition stating that accused No.1, was also arrested along with the petitioners, but accused No.1 refused to cooperate, withholding the password to the app he created.

Without their cooperation, the investigation cannot proceed, making it challenging to conclude. Therefore, he prayed the Court to dismiss the criminal petition.

6. After reviewing submissions made by both the learned counsel and perusing the record, it appears that the alleged offenses against the petitioners are under sections 318(4), 316(2), 61(2) read with 3(5) of BNS, Section 5 of Telangana Protection of Depositors Act, 1999, and sections 21, 22, and 23 of BUD. Further, it is noted that accused No.1 was also arrested along with the petitioners, and Investigating Officer recorded their confessional statements. However, the remand CD lacks mention of deposited amounts by victims, and the learned counsel for the petitioners assured cooperation with the investigation. Considering these circumstances, the Court deems it fit to grant bail to the petitioners with the following conditions:

i. The petitioners shall execute a personal bond for a sum of Rs.25,000/- (Rupees Twenty Five Thousand only) each, with two sureties for a like sum each to the satisfaction of the learned Principal District and Sessions Judge, Jagtial.

ii. The petitioners shall appear before the concerned SHO at 11:00 a.m., on every Monday for a period of eight (8) weeks, for the purpose of investigation, and thereafter, as and when required.

iii. The petitioners shall abide by the conditions stipulated in Section 437(3) of Cr.P.C.

7. Accordingly, this Criminal Petition is allowed.

Miscellaneous applications, if any pending, shall stand closed.

K. SUJANA, J

Date: 20.11.2024
SAI

THE HONOURABLE SMT JUSTICE K. SUJANA

CRIMINAL PETITION No.13271 of 2024

Date: 20.11.2024

SAI