

THE HONOURABLE SMT. JUSTICE K. SUJANA

CRIMINAL PETITION No.13559 of 2024

ORDER:

Seeking the Court to enlarge the petitioner who is arrayed as accused No.1 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. Based on complaint, a case was registered vide Crime No.642 of 2024 before the Jagtial Police, for the offences punishable under Sections 318(4), 316(2), 61(2) read with 3(5) of the BNS and Section 5 of Telangana Protection of Depositors of Financial Establishments Act and Sections 21, 22 and 23 of the Banning of Unregulated Deposit Schemes Act.

3. Heard Sri Madas Bharath Chandra, learned counsel appearing on behalf of the petitioner as well as Sri Syed Yasar Mamoon, learned Additional Public Prosecutor appearing on behalf of the respondent.

4. Learned counsel for the petitioner 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 petitioner is 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 petitioner, 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 petitioner 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 petitioner, and Investigating Officer recorded their confessional statements. However, the remand CD lacks mention of deposited amounts by victims, and the learned counsel for the petitioner assured cooperation with the investigation. Considering these circumstances, the Court

deems it fit to grant bail to the petitioner with the following conditions:

- i. The petitioner 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 petitioner 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 petitioner shall abide by the conditions stipulated in Section 437(3) of Cr.P.C. (presently, Section 480(3) of the BNSS)
7. Accordingly, this Criminal Petition is allowed.

Miscellaneous applications, if any pending, shall stand closed.

K. SUJANA, J

Date: 02.12.2024
gms

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