APHC010379602026

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI **[3521]**
(Special Original Jurisdiction)

THURSDAY, THE 8th DAY OF OCTOBER 2026

PRESENT

THE HONOURABLE DR JUSTICE Y. LAKSHMANA RAO

CRIMINAL PETITION NOs: 6160 and 7610 of 2026

CRIMINAL PETITION NOs: 6160 of 2026

Between:

1. KONA SANKAR RAO, S/O.IATE RAJA RAO, AGED 41 YEARS, R/O.D.NO.44-12-24/3, SANTOSHI COLONY, TATICHETLAPALEM, VISAKHAPATNAM DISTRICT.

...PETITIONER/ACCUSED

AND

1. THE STATE OF ANDHRA PRADESH, REP. BY THE PUBLIC PROSECUTOR, HIGH COURT OF ANDHRA PRADESH AT AMARAVATHI, GUNTUR DISTRICT
2. GAYATRI BALUSU, W/O.DEVENDRA KUMAR, AGED 36 YEARS,R/O.FLAT.NO.326, LANSUM GREEN APARTMENT,MADHAVADHARA, VISAKHAPATNAM DISTRICT.

...RESPONDENT/COMPLAINANT(S):

CRIMINAL PETITION NO: 7610/2026

Between:

1. KONA RAMALAKSHMI, W/O.SANKAR RAO, AGED 35 YEARS,R/O.D.NO.44-12-24/3, SANTOSHI COLONY,TATICHETLAPALEM, VISAKHAPATNAM DISTRICT.

...PETITIONER/ACCUSED

AND

1. THE STATE OF ANDHRA PRADESH, REP. BY THE PUBLIC PROSECUTOR, HIGH COURT OF ANDHRA PRADESH AT AMARAVATHI, GUNTUR DISTRICT.
2. GAYATRI BALUSU, W/O.DEVENDRA KUMAR, AGED 36 YEARS,R/O.FIAT.NO.326, LANSUM GREEN APARTMENT,MADHAVADHARA, VISAKHAPATNAM DISTRICT.

...RESPONDENT/COMPLAINANT(S):

Counsel for the Petitioner/accused:

1. P DURGA PRASAD

Counsel for the Respondent/complainant(S):

1. PUBLIC PROSECUTOR
2. ANAND KUMAR KOCHIRI

The Court made the following:
COMMON ORDER:

These two Criminal Petitions are heard together and are being disposed of by this common order, as the Petitioners in the two petitions are different, but the crime registered against them is one and the same.

2. The Criminal Petition Nos.6160 and 7610 of 2026 have been filed under Section 482 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (for brevity 'the BNSS'), seeking to enlarge the Petitioners/Accused Nos.1 and 2 on bail in Crime No.128 of 2026 of Airport Police Station, Visakhapatnam Commissionarate, registered for the alleged offences punishable under Sections 318(4), 79, 115(2) and 351(2) read with 3(5) of the Bharatiya Nyaya Sanhita, 2023 (for brevity 'the BNS') and Section 21(1)(2)(3) of the Banning of Unregulated Deposit Schemes Act, 2019 (for brevity 'the BUDS Act.,').

3. Sri P. Durga Prasad, the learned counsel for the Petitioners, submits that the Petitioners are innocent of the alleged offences and have been falsely implicated in the case. They are a law-abiding citizens and they are sole earning members of their families. The Petitioners are ready and willing to cooperate with the investigation and undertake to appear before the Investigating Officer as and when required and to strictly adhere to any conditions that may be imposed by this Court. Hence, it is urged to allow the Criminal Petitions.

4. *Per contra*, Mr. A. Sai Rohith, the learned Assistant Public Prosecutor, vehemently opposed the grant of pre-arrest bail to the Petitioners, submitting that the investigation is still underway and several material witnesses remain to be examined. It is contended that, if the Petitioners are granted pre-arrest bail at this stage, there is a likelihood of their interfering with the investigation, influencing the witnesses, or tampering with the prosecution evidence. Hence, it is urged to dismiss the Criminal Petitions.

5. Heard the learned counsel for the Petitioners, the learned Assistant Public Prosecutor. Perused the record.

6. As seen from the record, the allegations against the Petitioners relate to the alleged offences of cheating, criminal intimidation and other offences under ‘the BNS.,’ and ‘the BUDS Act’. Having regard to the facts and circumstances of the case, the nature of the allegations and the stage of the investigation, this Court is of the view that the requirement of the Petitioners for custodial interrogation has to be considered in the light of the specific role

attributed to them and the material available on record. The apprehension expressed by the prosecution regarding possible interference with the investigation can be addressed by imposing appropriate conditions. Further, the Petitioners have expressed their willingness to cooperate with the investigation and to comply with the conditions imposed by this Court.

7. The learned counsel for the Petitioners has placed reliance on the decision of the High Court of Allahabad in **Parikshit Parse v. State of Uttar Pradesh**[1], wherein, at paragraph No.4, it is held as follows:

> *"4. While challenging the entire proceedings conducted by concerned Investigating Officer in shape of preferring charge-sheet along with cognizance order dated 19.04.2025, learned counsel for applicant sought the attention of Court over sections 29 and 30 of Banning of Unregulated Deposit Scheme Act, 2019 (herein after referred to as "the Act of 2019"), which are reproduced herein below:-*
> ***"29. Competent Authority to be informed of offences***
> *The police officer shall, on recording information about the commission of an offence under this Act, inform the same to the Competent Authority.*
> ***30. Investigation of offences by Central Bureau of Investigation.***
> *(1) On receipt of information under section 29 or otherwise, if the Competent Authority has reason to believe that the offence relates to a deposit scheme or deposit schemes in which-*
> *(a) the depositors, deposit takers or properties involved are located in more than one State or Union territory in India or outside India; and*
> *(b) the total value of the amount involved is of such magnitude as to significantly affect the public interest, the Competent Authority shall refer the matter to the Central Government for investigation by the Central Bureau of Investigation.*
> *(2) The reference made by the Competent Authority under sub-section (1) shall be deemed to be with the consent of the State Government under section 6 of the Delhi Special Police Establishment Act, 1946.*
> *(3) On the receipt of the reference under sub-section (1), the Central Government may transfer the investigation of the offence to the Central Bureau of Investigation under section 5 of the Delhi Special Police Establishment Act, 1946."*

8. The learned counsel for the Petitioners has further relied upon the judgment of the High Court of Karnataka in Crl.P.Nos.201497 and 201498 of 2024, **Srijity v. State**, wherein, at paragraph No.5, it is held as under:

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[1] 2025:AHC:168759

“5. The co-ordinate Bench of this Court in W.P.No.102888/2022 having examined Sections 7 and 27 of the BUDS Act, at paragraph Nos.5, 6 and 7, has observed as follows:

> *"5. Section 7 of the Act, specifies that appropriate government shall, by notification, appoint one or more officers not below the rank of Secretary to that government, as the competent authority for the purpose of this Act. Section 8 specifies that the appropriate government shall, with the concurrence of the Chief Justice of the concerned High Court, by notification, constitute one or more Courts known as the Designated Courts for such area or areas to deal with the matters to which the provisions of the Banning of Unregulated Deposit Schemes Act applies. Section 27 of the Act specifies that no Designated Court shall take cognizance of an offence punishable under that section except upon a complaint made by the Regulator.*
> *6. A conjoint reading of this provision indicates that the government shall first appoint a Regulator and thereafter designate a Court to deal with the matters to which the provisions of this Act apply and the Designated Court can take cognizance only on a complaint in writing made by the Regulator.*
> *7. In the instance case, the Regulator has not filed a complaint before the Designated Court so as to take cognizance of the offences punishable under Sections 21(1) and 21(2) of the Act. However, the Police have registered the FIR for the aforesaid offences. Hence, the registration of the FIR for the aforesaid offences is one without authority of law. Accordingly, I pass the following:*
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> *ORDER*
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> *Writ Petition is allowed.*
> *The impugned FIR in Crime NO.257/2021 filed by the Chikkodi Police Station insofar it relates to accused Nos.2 and 3 is hereby quashed."*

9. This Court, in Crl.P.No.6843 of 2026 on 17.08.2026 passed the following order:

> *“A plain reading of Section 21 of the BUDS Act indicates that Sections 21(1), 21(2) and 21(3) are attracted only upon a prima facie contravention of Section 3, which prohibits unregulated deposit schemes. In the present case, the prosecution has failed to place any material to prima facie establish that the activities allegedly carried on by the petitioner or the other accused constitute an "unregulated deposit scheme" within the meaning of the Act. Further, the records do not indicate compliance with the statutory mechanism contemplated under Sections 7 and 29, particularly any action by the Competent Authority upon having reason to believe that an offence under the Act was committed. Consequently, in the absence of the foundational ingredients of Section 3 and the requisite statutory compliance, the provisions of Section 21 of the BUDS Act are not prima facie attracted.”*

10. The Government of Andhra Pradesh, G.O.Ms.No.144, dated 10.10.2022 the Principal Secretary to Government, Home Department as the “Competent Authority” and the Additional Director General of Police, Crime

Investigation Department, Andhra Pradesh as the officer to assist the Competent Authority to exercise the powers and discharge other functions as prescribed under The Banning of Unregulated Deposit Schemes Rules, 2022.

11. Having considered the entire facts and circumstances of the case, and the nature and gravity of the allegations levelled against the Petitioners/Accused Nos.1 and 2, this Court is inclined to enlarge the Petitioners/Accused Nos.1 and 2 on pre-arrest bail, subject to the following stringent conditions.

12. In the result, the Criminal Petitions are allowed with the following stringent conditions:

i. In the event of the arrest of the Petitioners, the Petitioners/Accused Nos.1 and 2 shall be enlarged on bail by executing a bond for a sum of Rs.25,000/- (Rupees Twenty Five Thousand Only) with two sureties for the like sum to the satisfaction of the arresting police officials;

ii. The Petitioners/Accused Nos.1 and 2 shall make themselves available for investigation as and when required;

iii. The Petitioners/Accused Nos.1 and 2 shall not cause any threat, inducement or promise to the prosecution witnesses

iv. The Petitioners/Accused Nos.1 and 2 shall appear before the Station House Officer concerned once in a week i.e., on every Saturday between 10.00 a.m. and 5.00 p.m., till filing of the charge sheet.

v. The Petitioners/Accused Nos.1 and 2 shall not leave the limits of the State of Andhra Pradesh without the

express permission from the Station House Officer concerned.

vi. The Petitioners/Accused Nos.1 and 2 shall not, directly or indirectly, make any inducement, threat or promise to any person acquainted with the facts of the case so as to dissuade him/her from disclosing such facts to the Court.

vii. The Petitioners/Accused Nos.1 and 2 shall surrender their passports, if any, to the Investigating Officer. If they claim that they do not have passports, they shall submit an affidavit to that effect to the Investigating Officer.

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DR. Y. LAKSHMANA RAO, J

Date: 08.10.2026
KMS

THE HONOURABLE DR JUSTICE Y. LAKSHMANA RAO

CRIMINAL PETITION NOs:6160 and 7610 of 2026

Date: 08.10.2026
KMS