APHC010450862026

IN THE HIGH COURT OF ANDHRA PRADESH AT AMARAVATI

WEDNESDAY, THE 18th DAY OF NOVEMBER 2026

PRESENT

THE HONOURABLE DR JUSTICE Y. LAKSHMANA RAO

CRIMINAL PETITION NOS: 7498 and 7642 OF 2026

CRIMINAL PETITION NO: 7498 OF 2026

Between:

1. M.C. Subramanyam, S/o M.C. Chengalrayappa,Aged about 31 years, Occ Collection Boy at Aditya Fianance,R/o Cheruvumundarapalle Village, Javanapalle Village and Post,V. Kota Mandal, Chittoor District

...PETITIONER/ACCUSED

AND

1. The State of Andhra Pradesh, Rep. by its Public Prosecutor,High Court of Andhra Pradesh at Amaravati.

2. Syed Sajjad, S/o. Late S.A. Subhan, Age. 34 years, R/o. D.No.6-1442, M.G.Road, V.Kota Town and Mandal, Chittoor District. (Crime No.134 of 2026 of V.Kota UPS, Chittoor District) Respondent No.2 is impleaded as per the Court order dated 07.09.2026 in Crl.P.No.7498 of 2026.

...RESPONDENT/COMPLAINANTs

Counsel for the Petitioner/accused: M/S INDUS LAW FIRM

Counsel for the Respondent/complainants: BAGGI VENKATA PAVAN KUMAR Counsel for the Respondent/complainants:PUBLIC PROSECUTOR

CRIMINAL PETITION NO: 7642 OF 2026

Between:

1. Y C Mohana Krishna, S/o Y. Chengalrayudu,Aged about 31 years,Occ Collection Boy in Adithya Auto Finance,R/o Javanapalle Village, V. Kota Mandal,Chittoor District.

...PETITIONER/ACCUSED

AND

1. The State of Andhra Pradesh, Rep., by Public Prosecutor,Through Station House Officer,V. Kota Urban Police Station, Chittoor District,A.P High Court, Amaravathi, Guntur District.

2. Syed Sajjad, S/o Late S A Subhan, Age 34 years R/o D No 61442 M G Road, V Kota Town and Mandal Chittoor District. (Crime No 134 of 2026 of V Kota UPS Chittoor District) Respondent No 2 is impleaded as per the Court order dated 09.09.2026 in Crl.P.No 7642 of 2026.

...RESPONDENT/COMPLAINANTs

Counsel for the Petitioner/accused: SURESH KUMAR REDDY KALAVA

Counsel for the Respondent/complainants: BAGGI VENKATA PAVAN KUMAR Counsel for the Respondent/complainants:PUBLIC PROSECUTOR

THE HONOURABLE DR JUSTICE Y. LAKSHMANA RAO

CRIMINAL PETITION NOS: 7498 and 7642 of 2026

The Court made the following Common Order:

The Criminal Petition No.7498 of 2026 has been filed under Section 482 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (for brevity 'the BNSS') by the petitioner/Accused No.3 and Criminal Petition No.7642 of 2026 has been filed under Section 482 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (for brevity 'the BNSS') by the petitioner/Accused No.2 respectively for granting of pre-arrest bail in connection with Crime No.134 of 2026 of V.Kota Urban Police Station, Chittoor District, registered for the alleged offence punishable under Sections 318(4), 316(2), 316(5), 61(2) read with 3(5) of the Bharatiya Nyaya Sanhita, 2023 (for brevity 'the BNS') and Sections 4 and 5 of Chit Fund Act, 1982.

2. Crl.P.Nos.7498 and 7642 of 2026 are heard and disposed of by this common order, as both petitions arise out of the same crime, though the Petitioners are different. The Petitioner in Crl.P.No.7498 of 2026 is Accused No.3, whereas the Petitioner in Crl.P.No.7642 of 2026 is Accused No.2.

3. The case in brief of the prosecution is as under:

The complaint lodged by one Syed Sajjad (Defacto Complainant), alleging that Accused No.1 is the proprietor of Adithya Auto Finance, V.Kota, and was conducting chit fund and daily collection schemes under the name and style of Sri Lakshmi Venkateswara. The complainant stated that he joined a chit valued at Rs.30,00,000/-, commencing from 11.08.2024, and regularly paid monthly subscriptions through PhonePe and bank transfers to the accounts of Accused No.1 and his office staff. It is further alleged that on 11.02.2026, the complainant successfully bid the chit and became entitled to receive Rs.27,70,000/-. After adjusting the alleged outstanding amounts, Accused No.1 was required to pay Rs.24,60,500/-, out of which only Rs.1,30,000/- was paid, leaving an alleged balance of Rs.23,30,500/-. Based on the said dispute and certain general allegations regarding the collection of subscription amounts from other subscribers, the present crime was registered.

4. Sri N.V.Sumanth, learned Counsel appearing for Indus Law Firm for petitioner/accused No.3 in Crl.P.No.7498 of 2026 and Sri Suresh Kumar Reddy Kalava, learned counsel for the petitioner/accused No.2 submit that Accused No.1 is the proprietor of Adithya Auto Finance and Lakshmi Venkateswara, situated at V.Kota Town, whereas the

Petitioners/A-2 and A-3 are merely working as collection boys and are in no way responsible for the day-to-day affairs of the chit business, including conducting bids and making payments to chit subscribers. They are not directly involved in the disbursement of chit amounts and are acting only under the instructions of Accused No.1 without taking any independent decisions.

5. They further contended that any illegal activities allegedly committed by the proprietor of the chit company cannot be attributed to the Petitioners, who are merely employees, and that no specific allegation of inducement, dishonest representation, misappropriation or withholding of the alleged balance amount of Rs.23,30,500/- is attributed to the Petitioners, and their implication is based solely on general and omnibus allegations without establishing his individual role or criminal intention. Hence, the offences alleged under 'the BNS.,' and the Chit Funds Act are not *prima facie* made out against them. They further submitted that the police are unnecessarily harassing the Petitioners/A-2 and A-3 at the instance of their rivals and are attempting to arrest them in the present case, thereby tarnishing their reputation. The alleged transactions are predominantly documentary and electronic in nature, the relevant bank and PhonePe records are available with the Investigating Agency, and no specific necessity for custodial

interrogation has been established. The Petitioners have no criminal antecedents, are permanent resident of Chittoor District and undertakes to cooperate with the investigation, are ready to furnish adequate sureties, appear before the Investigating Officer or this Hon'ble Court whenever required and abide by any conditions imposed by this Hon'ble Court.

6. *Per contra*, Sri A.Sai Rohith, the learned Assistant Public Prosecutor and Sri Baggi Pavan, learned Legal-Aid Counsel for respondent No.2 vehemently opposed the grant of 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 released on bail at this stage, there is a strong likelihood that they may abscond, thereby hampering the ongoing investigation and evading the process of law and urged to dismiss the Petitions.

7. Heard the learned counsel for the petitioners, learned Assistant Public Prosecutor and learned Legal-Aid Counsel for respondent No.2. Perused the record.

8. Now the point for consideration is:

> *"Whether the Petitioners are entitled for grant of pre-arrest bail?"*

9. This Court on 07.09.2026 passed the following Order:

> *"Heard the learned Counsel for the Petitioner and the learned Assistant Public Prosecutor.*
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> *The de-facto complainant is not shown as Respondent No.2 in this case. The de-facto complainant is impleaded as Respondent No.2 as per the Judgment of the Hon'ble Supreme Court in* ***Jagjeet Singh and others v. Ashish Mishra***[1]*.*
>
> *Registry is directed to carry out the necessary amendments.*
>
> *Issue notice to the Respondent No.2.*
>
> *The learned Counsel for the Petitioner is permitted to take out personal notice to the Respondent No.2 and file proof to that effect.*
>
> *The Petitioner is arraigned as Accused No.3. It is alleged by the de-facto complainant that Accused Nos.2 and 3 were acting as collection agents of the chit business being run by Accused No.1. It is further alleged that Accused No.1 failed to repay the chit amounts despite repeated requests and demands made by the de-facto complainant.*
>
> *The learned Assistant Public Prosecutor submits that the investigation has not yet been finalized with regard to the specific role played by Accused Nos.2 and 3 in the alleged offence. It is further alleged that the amounts invested by the subscribers, including the de-facto complainant, have been misappropriated and swindled by the accused persons.*
>
> *Having regard to the facts and circumstances of the case, the Petitioner shall not be arrested until the next date of hearing. However, the Petitioner shall cooperate with the investigation. The Petitioner shall appear before the investigating officer on 15.09.2026 at 10:00 a.m., and continue to appear before the investigating officer. The investigating officer shall conduct further investigation.*
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> *List on 05.10.2026."*

10. Accused No.1 is the proprietor of Adithya Auto Finance and Sri Lakshmi Venkateswara, situated at V.Kota Town, whereas Accused

[1] (2002) 4 SCR 536

Nos.2 and 3 are working as employees of the said establishment. It is alleged by the prosecution that Accused Nos.2 and 3 collected a sum of approximately Rs.5,12,53,450/- from the subscribers but failed to remit the same to Accused No.1 or the respective subscribers. The statements of L.Ws.1 to 29, recorded by the Investigating Officer, allegedly reveal that the petitioners/accused Nos.2 and 3 cheated the subscribers to the tune of a substantial amount. The prosecution further contends that the custodial interrogation of the Petitioners is necessary to trace the amounts allegedly collected by them from the victims.

11. The learned counsels for the petitioners relied upon the Judgment of the Hon'ble Apex Court in ***State of Maharashtra vs. Mohd Sajid Husain Mohd S Husain[2],*** wherein it is held in paragraph No.13 as follows:

> "13. The four factors, which are relevant for considering the application for grant of anticipatory bail, are:
>
> (i) The nature and gravity or seriousness of accusation as apprehended by the applicant:
> (ii) The antecedents of the applicant including the fact as to whether he has, on conviction by a Court, previously undergone imprisonment for a term in respect of any cognizable offence;
> (iii) The likely object of the accusation to humiliate or malign the reputation of the applicant by having him so arrested; and
> (iv) The possibility of the appellant, if granted anticipatory bail, fleeing from justice."

[2] 2007 LawSuit(SC) 1111

12. The decision laid down by the Hon'ble Apex Court in ***State of Maharashtra vs. Mohd Sajid Husain Mohd S Husain,*** is not applicable to the case on hand as the facts and circumstances of that case is entirely different from this case. The investigation is still in progress, and the necessity of the petitioners custodial interrogation cannot be ruled out at this stage.

13. Indeed, it is contended by the prosecution that the allegations against the Petitioners are grave and serious that they collected a sum of approximately Rs.5,12,53,450/- from the subscribers but failed to remit the same either to A-1 or to the respective subscribers. Of course, *prima-facie*, the material on record indicates that the Petitioners collected amounts from the complainant and other subscribers but failed to deposit or remit the same to the accounts of the establishment or the concerned subscribers. Therefore, custodial interrogation of the Petitioners is considered necessary.

14. In view of the specific overt acts attributed against the petitioners/Accused Nos.2 and 3, this Court is not inclined to grant pre-arrest bail to the petitioners, as it would amount to giving a shield, protection or licence to the petitioners in respect of the specific allegations levelled against them. As per the judgments of the Hon’ble

Apex Court in **Gurbaksh Singh Sibbia v. State of Panjab**[3] and **Sushila Aggarwal v. State of (NCT of Delhi)**[4] discretionary relief of pre-arrest bail cannot be granted.

15. Having regard to the facts and circumstances of the case, the nature and gravity of the allegations, and the material available on record, this Court is not inclined to grant pre-arrest bail to the petitioners/Accused Nos.2 and 3. Accordingly, this Court finds no merit in the Criminal Petitions, and the same are liable to be dismissed.

16. In the result, the Criminal Petition Nos.7498 and 7642 of 2026 are dismissed.

As a sequel, Miscellaneous petitions, if any pending, shall stand closed.

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DR. Y. LAKSHMANA RAO, J

Date: 18.11.2026
S D P

[3] **(1980) 2 SCC 565**
(2020) 5 SCC 1

THE HONOURABLE DR JUSTICE Y. LAKSHMANA RAO

CRIMINAL PETITION NOS: 7498 and 7642 OF 2026

Date:18.11.2026

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