APHC010513762026

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

TUESDAY, THE 6th DAY OF OCTOBER 2026

PRESENT

THE HONOURABLE DR JUSTICE Y. LAKSHMANA RAO

CRIMINAL PETITION NO: 8645/2026

Between:

1. CHAGANTI VARA LAKSHMI, W/O VENKAT BALA RAJU, AGED ABOUT 36 YEARS,R/O D.NO.25-21-1, CHAGANTI VARI STREET, I TOWN AREA / KURUPAM MARKET, VISAKHAPATNAM CITY - 530001.

2. CHAGANTI DEVI ALIAS BHASKAR NAGA DEVI SRI, D/O VENKATA BALA RAJU, AGED ABOUT 22 YEARS, R/O D.NO.25-21-1, CHAGANTI VARI STREET, I TOWN AREA,VISAKHAPATNAM CITY - 530001.

...PETITIONER/ACCUSED(S)

AND

1. THE STATE OF ANDHRA PRADESH, REP. BY ITS PUBLIC PROSECUTOR, HIGH COURT OF ANDHRA PRADESH, AMARAVATI THROUGH STATION HOUSE OFFICER, I TOWN POLICE STATION, VISAKHAPATNAM CITY.

2. KONDA GEETANJALI, DE-FACTO COMPLAINANT / LW-1, 22-6-26/1, CHANGALARAO PETA,1TOWN AREA,VISAKHAPATNAM.

...RESPONDENT/COMPLAINANT(S):

Counsel for the Petitioner/accused(S):

1. KARTHIKSIDDARTHA SALADI

2. KARTHIK SIDDHARTHA SALADI

Counsel for the Respondent/complainant(S):

1. PUBLIC PROSECUTOR

The Court made the following:
ORDER:

Criminal Petition has been filed under Sections 480 and 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (for brevity 'the BNSS'), seeking to enlarge the Petitioners/Accused Nos.1 & 5 on bail in Crime No.138 of 2026 of I Town Police Station, Visakhapatnam Commissionerate, registered for the alleged offences punishable under Sections 21(1)(2)(3), 23 of the Banning of Unregulated Deposit Schemes Act, 2019 (for brevity 'the BUDS Act.,'), 318(4) read with 3(5) of the Bharatiya Nyaya Sanhita, 2023 (for brevity 'the BNS').

2. Mr.Karthik Siddhartha Saladi, learned counsel for the Petitioners, submits that the Petitioners are innocent of the alleged offence and have been falsely implicated by the police. It is further submitted that the Petitioners are the sole earning members of their respective families and, therefore, their incarceration would cause undue hardship to their dependents. They are law-abiding citizens. The Petitioners undertake to strictly adhere to any conditions that may be imposed by this Court. Hence, it is urged to allow the Criminal Petition.

3. *Per contra*, Mr.A.Sai Rohith, the learned Assistant Public Prosecutor 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 Petitionersare 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 Petition.

4. Heard the learned counsel for the Petitioners and the learned Assistant Public Prosecutor. Perused the record.

5. The learned counsel for the Petitioners seeks permission to delete Respondent No.2 from the array of parties. Permission is accorded. Respondent No.2 is deleted from the array of parties.

6. As seen from the record, against the Petitioners and some other accused, the Station House Officer, I Town Police Station, Visakhapatnam, registered a case in Cr.No.138 of 2026 on 19.08.2026 for the alleged offences punishable under Sections 21(1), 21(2), 21(3) and 23 of the BUDS Act and Section 318(4) read with Section 3(5) of the BNS. The Petitioners were arrested on 19.08.2026 and have been in judicial custody for the past 48 days. This Court, in Crl.P.No.7473 of 2026, *vide* order dated 07.09.2026, granted pre-arrest bail to Accused No.4 in this crime, who is none other than the elder daughter of Accused No.1. Accused No.1/Petitioner No.1 is the mother of Petitioner No.2/Accused No.5.

7. The learned counsel for the Petitioners, Mr. KarthikSiddhartha Saladi, submits that the Hon'ble Apex Court, in **State of Karnataka v. Siddarth**[1], upheld the judgment of the High Court of KarnatakaCircuit Bench at Dharwad.It is submitted that the Hon'ble Apex Court confirmed the said order of the High Court and observed that, in view of non-compliance with the

[1]2024 Supreme (Online) (SC) 15548

mandatory provisions of ‘the BUDS Act’, the High Court was justified in quashing the proceedings.

8. The High Court of Karnataka, Kalaburagi Bench, in Crl.P.No.201497 of 2024 and connected matter, by order dated 24.01.2025, quashed the criminal proceedings initiated against the Petitioners for the offences punishable under Sections 21 and 23 of ‘the BUDS Act’.

9. On a perusal of the record, it is evident that the Petitioner is a young woman aged 22 years. At the time of the alleged offence, she just attained majority. The learned counsel for the Petitioner has placed reliance on the decision of the High Court of Allahabad in Application under Section 528 of the BNSS No.36256 of 2025, **Parikshit Parse v. State of Uttar Pradesh**, 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."*

10. The learned counsel for the Petitioner 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:

> *"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:*
> >
> > *ORDER*
> >
> > *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."*

11. 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."

12. 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.

13. Having regard to the facts and circumstances of the case, the nature and gravity of allegations leveled against the Petitioners/Accused Nos.1 & 5, this Court is inclined to enlarge Petitioners/Accused Nos.1 & 5on bail with some stringent conditions.

14. In the result, the Criminal Petition is allowed with the following stringent conditions:

i. The Petitioners/Accused Nos.1 & 5shall be enlarged on bail subject to their executing a bond for a sum of Rs.50,000/- (Rupees Fifty Thousand only) with two sureties for the like sum each to the satisfaction of the learned Principal District & Sessions Judge, Visakhapatnam.

ii. The Petitioners/Accused Nos.1 & 5 shall appear before the Station House Officer concerned, on every Saturday in between 10:00 am and 05:00 pm, till filing of the charge sheet.

iii. The Petitioners/Accused Nos.1 & 5 shall not commit or indulge in commission of any offence in future.

iv. The Petitioners/Accused Nos.1 & 5 shall cooperate with the Investigating Officer in further investigation of the case and shall make themselves available for interrogation by the Investigating Officer as and when required.

v. The Petitioners/Accused Nos.1 & 5 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.

vi. The Petitioners/Accused Nos.1 & 5shall surrender their passports, if any, to the Investigating Officer. If they claim that they do not possess passports, they shall submit affidavits to that effect before the Investigating Officer.

DR. Y. LAKSHMANA RAO, J

Date: 06.10.2026
PRA

THE HONOURABLE DR JUSTICE Y. LAKSHMANA RAO

CRIMINAL PETITION No.8645 of 2026

Date:06.10.2026

PRA