



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

[3504]

TUESDAY, THE 14th DAY OF JULY 2026

PRESENT

**THE HONOURABLE SRI JUSTICE MAHESWARA RAO
KUNCHEAM**

CRIMINAL PETITION NO: 4501/2026

Between:

1. DR RAYAGADA SANTOSH PATNAIK, , S/O R.G. MAHESWARA RAO, AGED ABOUT 30 YEARS, OCC. D.M. NEPHROLOGY RESIDENT, ANDHRA MEDICAL COLLEGE / KING GEORGE HOSPITAL, VISAKHAPATNAM VISAKHAPATNAM DISTRICT, PRESENTLY RESIDING AT FLAT NO. 503, GUPTA ARCADE, OPP. ACA

...PETITIONER/ACCUSED

AND

1. THE STATE OF ANDHRA PRADESH, , through S.H.O., I Town Police Station, Visakhapatnam, rep. by Public Prosecutor, High Court, Amaravati.

...RESPONDENT/COMPLAINANT

Petition under Section 437/438/439/482 of Cr.P.C and 528 of BNSS praying that in the circumstances stated in the Memorandum of Grounds of Criminal Petition, the High Court pleased to enlarge the petitioner herein on bail in the event of his arrest in connection with FIR No.76/2026 on the file of I Town Police Station, Visakhapatnam, and pass

Counsel for the Petitioner/accused:

1.KAVITHA GOTTIPATI

Counsel for the Respondent/complainant:

1.PUBLIC PROSECUTOR

THE HONOURABLE SRI JUSTICE MAHESWARA RAO KUNCHEAM**CRIMINAL PETITION NO: 4501 of 2026****The Court made the following Order:**

Instant Criminal Petition, under Section 528 of the Bharatiya Nagarik Suraksha Sanhitha, 2023, has been filed seeking enlargement of the petitioner on bail in the event of his arrest in connection with FIR in Crime No.76 of 2026 on the file I Town Police Station, Visakhapatnam, registered for the offences punishable under Section 318(4) of the Bharatiya Nyaya Sanhitha, 2023 and Sections 21(1)(2)(3) the Banning of Unregulated Deposit Schemes Act, 2019 (BUDS) read with Section 3(5) of Bharatiya Nyaya Sanhitha, 2023.

2. Heard Sri K.S.Murthy, learned Senior Counsel assisted by Smt. Kavitha Gottipati, learned counsel for the petitioner and learned Assistant Public Prosecutor appearing on behalf of the respondent-State.

3. Learned Senior Counsel appearing on behalf of the petitioner submits that petitioner is pursuing final year of D.M. (Super Specialty) in Nephrology at Andhra Medical College and working at King George Hospital, Visakhapatnam. He submits that the petitioner is an accused in Crime No.76 of 2026 on the

file I Town Police Station, Visakhapatnam. He asserts that even as per the version of FIR, Accused No.2 who is attendant of Chronic Kidney Disease patient, developed interaction with the petitioner and advised to deposit amounts in “Deccan Fine Chemicals Private Limited, Tuni”, by stating that he is well acquainted with the said financial institution transactions and promised that the petitioner will get good returns. Consequently, believing Accused No.2, petitioner transferred an amount of Rs.1,06,00,000/- (Rupees One Crore and Six Lakhs only) to A2 in different spells, having borrowed the same at high rates of interest from various financial institutions. He further contends that after knowing the factum that Accused No.2 cheated the petitioner, petitioner preferred a complaint to the police on 07.05.2026. As the same was not registered, petitioner approached higher police authorities and resultantly, on 11.05.2026 FIR in Crime No.255 of 2026 of PM Palem Police Station, Visakhapatnam Commissionerate, was registered under Section 318(4) of the Bharatiya Nyaya Sanhitha, 2023 against Accused No.2 and others.

4. Learned Senior Counsel further asserts that as the police of I Town Police Station, Visakhapatnam are harassing the

petitioner, without any legal cause, the petitioner instituted Writ Petition No.14535 of 2026 before this Court by arraying police personnel of I Town Police Station, Visakhapatnam as respondents. When the matter is *sub-judice* before this Court, FIR in Crime No.76 of 2026 of I Town Police Station, Visakhapatnam was registered against the petitioner under Section 318(4) of the BNS and Section 21(1)(2)(3) the Banning of Unregulated Deposit Schemes Act, 2019 (BUDS) read with Section 3(5) of BNS on 11.05.2026 as a counter blast. He also submits that in fact the petitioner is a victim who lost considerable amounts, is facing allegations in the instant case which is unfortunate. He contends that the police also registered a case by foisting the special enactment i.e., Banning of Unregulated Deposit Schemes (BUDS) Act, 2019 (Act No.21 of 2019), though the provisions of said enactment are not applicable to the instant case.

5. Learned Senior Counsel brought to the notice of this Court that all the relevant provisions i.e., Sections 3 and 21 of the BUDS Act. At last, he contends that as the petitioner will not come under the purview of Deposit Taker, the very roping of the provisions of special enactment is *per se* illegal.

6. Conversely, learned Assistant Public Prosecutor submits that the petitioner (A1) directly approached this Court seeking pre-arrest bail and also he states that there are many victims in the instant case. He further submits that as the case involves financial transactions among the doctors, it requires detailed investigation. He also states that Accused No.2 was already arrested by the concerned Police. As such, he opposed the pre-arrest bail.

7. At the outset, the provisions of Section 528 of BNSS corresponding to Section 439 Cr.P.C., are concurrent in nature. In this case, law is well-settled by the Hon'ble Apex Court and this Court in catena of judgments. In the words of Hon'ble Supreme Court in ***Sushila Aggarwal and Others Vs. State (NCT of Delhi) and Another***¹, this petition is maintainable.

8. Having considered the above facts and circumstances of the case and after perusing the entire material available on record, it is clear that the petitioner is perusing his D.M. (Super Specialty) in Nephrology at Andhra Medical College and he is presently working as resident doctor at King George Hospital, Visakhapatnam. It is also notice that the very same petitioner is

¹ (2020) 5 SCC 1

the de-facto complainant in FIR in Crime No.255 of 2026 of PM Palem Police Station, Visakhapatnam and it is also borne out from the record that the petitioner filed WP No.14535 of 2026 before this Court on 14.05.2026 arraying the police of I Town Police Station, Viskahapatnam. While, the same is pending adjudication, on 17.05.2026, the instant FIR in Crime No.76 of 2026 was lodged against the petitioner herein.

9. So far as allegations in respect of the BUDS Act, 2019 is concerned, as rightly contended by learned Senior Counsel for the petitioner, applicability of the said provisions are in question, more particularly, in view of the specific language enunciated under Section 3(b) of the said Act, i.e., the petitioner will not come under the purview of Deposit Taker.

10. Another facet in the instant case is accepting the entire accusation, except the offence punishable under Section 21(1)(2)(3) of the BUDS Act, all the offences are punishable with imprisonment upto seven (07) years. *Prima facie* there is any amount of ambiguity as to whether Section 21(1)(2)(3) of the Banning of Unregulated Deposit Schemes Act, 2019 would attract to the subject crime or not. In view of the aforesaid facts and

circumstances, this Court is inclined to grant pre-arrest bail to the petitioner herein/Accused No.1 on certain condition.

11. Accordingly, the Criminal Petition is allowed with the following stringent conditions:

- i. The petitioner/Accused No.1 shall be enlarged on bail subject to he executing a bond for a sum of Rs.20,000/- (Rupees twenty thousand only), with two sureties each for the like sum each to the satisfaction of the Station House Officer, I Town Police Station, Visakhapatnam.
- ii. The petitioner/Accused No.1 shall appear before the Station House Officer, I Town Police Station, Visakhapatnam, on 2nd Saturday and 4th Saturday of every month, in between 10.00 AM to 05.00 PM, till cognizance is taken by the learned the Trial Court
- iii. The petitioner/Accused No.1 shall not leave the limits of the State of Andhra Pradesh, without prior permission from the Station House Officer concerned.
- iv. The petitioner/Accused No.1 shall not commit or indulge in commission of any offence in future.
- vi. The petitioner/Accused No.1 shall cooperate with the investigating officer in further investigation in the case and

shall make themselves available for interrogation by the investigating officer as and when required.

- vii. The petitioner/Accused No.1 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 or to any police officer.
 - viii. The petitioner/Accused No.1 shall surrender his passport, if any, to the investigating officer. If he claims that he do not have a passport, he shall submit an affidavit to that effect to the Investigating Officer.
12. Accordingly, the Criminal Petition is allowed.

Interlocutory applications, if any, pending shall stand closed.

JUSTICE MAHESWARA RAO KUNCHEAM

Date: 14.07.2026
PSA

**THE HONOURABLE SRI JUSTICE MAHESWARA RAO
KUNCHEAM**

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PSA