APHC010120832026

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

THURSDAY,THE TWENTY THIRD DAY OF APRIL
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE DR JUSTICE Y. LAKSHMANA RAO

WRIT PETITION NO: 6380/2026

Between:

MS SRI KRISHNA PHARMACEUTICALS, 311-32-1 OB, GF AND FF, CHALLAMRAHUVARI STREET, VIJAYAWADA., REP BY ITS PROPRIETOR., SRI KAKUMANU VENKATA KRISHNA MOHANA RAO, S/O. K PUMA CHANDRA RAO, AGED 53 YEARS, OCC. BUSINESS, R/O. DOOR NO.9-6-244, PLOT NO 103, DRAIN STREET, ISLAMPET, VIJAYAWADA RURAL, NTR DISTRICT, ANDHRA PRADESH 520001

...PETITIONER

AND

1. THE STATE OF ANDHRA PRADESH, HOME DEPARTMENT, SECRETARIAT, VELAGAPUDI, AMARAVATHI, GUNTUR DISTRICT, REP BY ITS PRINCIPAL SECRETARY,522237. 2.
2. THE DIRECTOR GENERAL OF POLICE, STATE OF ANDHRA PRADESH, VADDESWARAM, MANGALAGIRI, GUNTUR DISTRICT 522502.
3. THE COMMISSIONER OF POLICE, POLICE COMMISSIONERATE, SURYARAOPET, VIJAYAWADA.
4. THE ASSISTANT COMMISSIONER OF POLICE, . WEST DIVISION, VIJAYAWADA COMMISSIONERATE ONE TOWN, VIJAYAWADA, NTR DISTRICT, 520001.
5. THE CIRCLE INSPECTOR OF POLICE, I TOWN POLICE STATION, VIJAYAWADA, NTR DISTRICT, 520001.
6. THE SUBINSPECTOR OF POLICE, I TOWN POLICE STATION VIJAYAWADA, NTR DISTRICT, 520001. 7.

7. THE UNION BANK OF INDIA ONE TOWN BRANCH, VIJAYAWADA, REP. BY ITS BRANCH MANAGER, 1ST FLOOR, RISHAB TOWERS, NEAR BODEMMA HOTEL, CONVENT ROAD ONE TOWN, VIJAYAWADA-520001, ANDHRA PRADESH
8. YVRNP SATHISH, S/O. RAM MOHANRAO, AGED 46 YEARS, OCC BUSINESS, R/O. DOOR NO. 11-35-3, KOTAMRAJU VARI STREET, VIJAYAWADA, ANDHRA PRADESH 520001. R8 IMPLEADED IN WRIT PETITION AND AFFIDAVIT AS PER COURTS ORDER DT. 24.03.2026 IN I.A.NO.2 OF 2026.

...RESPONDENT(S):

Counsel for the Petitioner:

PAPUDIPPU SASHIDAR REDDY

Counsel for the Respondent(S):

1. GP FOR HOME
2. RANGA SURYA PRAKASH RAO KOLA
3. CKR ASSOCIATES

The Court made the following:

ORDER:

The Writ Petition has been filed under Article 226 of the Constitution of India seeking the following relief:-

> *"…to issue a writ order or direction more particularly one in nature of Writ of Mandamus or any other Writ order or direction declaring challenging action of the Respondents No 5 and 6 in debit freezing the accounts bearing A/c No 329705110000105 and A/c No 329701010035608 in the 7th Respondent Branch in relation to Crime No 119 of 2025 which is pending on the file of the 5th Respondent as arbitrary illegal and contrary to the well established legal principles and the procedure laid down under the provisions of the BNSS and consequently release the debit freeze on these bank accounts forthwith pass…"*

2. Heard the learned Counsel for the Petitioner, the learned Assistant Government Pleader for Home, and the learned counsels for Respondent Nos.7 and 8.

3. Mr. Papudippu Shasidar Reddy, learned Counsel for the Petitioner, submits that the action of Respondent Nos.5 and 6 in debit freezing the accounts bearing A/c Nos.329705110000105 and 329701010035608 in the 7th respondent bank, in relation to Crime No.119 of 2025 pending on the file of Respondent No.5, is illegal and arbitrary.

4. Sri P. Ajay Babu, learned Assistant Government Pleader, on written instructions, submits that the present case arises out of a complaint dated 16.09.2025, wherein the de facto complainant alleged that the petitioner, along with his family members, induced him to invest and supply medicines to Sri Krishna Pharmaceuticals on false assurances of payment through APMSIDC business, and thereby cheated him to the tune of about Rs.58 lakhs, apart from earlier investments. It is submitted that the petitioner misappropriated the amounts, diverted funds for personal use, and failed to repay the dues, and when demanded, threatened and assaulted the complainant. Based on the said complaint, the respondent police registered a case in Crime No.119 of 2025 under Sections 316(1) and 318(4) of ‘the BNS’ at I Town Police Station, Vijayawada, and took up investigation.

5. The learned Assistant Government Pleader further submits that in the course of investigation, the police examined as many as seven witnesses and recorded their statements under Section 180(3) of ‘the BNSS’. Notices under

Section 179 of 'the BNSS' were issued to the petitioner on multiple occasions seeking production of documents relating to Tender No.141/APMSIDC/Medicine Wing/2022-2023, but the petitioner failed to cooperate. Letters were also addressed to APMSIDC authorities and the concerned bank. In order to safeguard the disputed amount and prevent misuse of funds, the investigating officer requested freezing of the petitioner's bank accounts. It is further submitted that the investigation is still in progress under the supervision of higher authorities and involves a disputed amount of Rs.58 lakhs, and therefore, the action of the police is in accordance with law and the writ petition is liable to be dismissed.

6. The learned Counsels for Respondent Nos.7 and 8, submits that the petitioner, by making false assurances, induced the complainant to invest and supply medicines and thereby cheated him to the tune of Rs.58 lakhs. It is submitted that the petitioner misappropriated the amounts and failed to repay the dues despite repeated demands. The learned counsel further submits that the petitioner is deliberately withholding payments and attempting to evade liability. It is further submits that the bank has acted only in compliance with the instructions issued by the investigating agency in connection with Crime No.119 of 2025. It is submitted that the bank has no independent role in the dispute between the parties and has frozen the account as per the official communication received from the police.

7. This Court has bestowed its anxious and careful consideration upon the rival contentions advanced by the learned counsel for the respective parties

and has perused the affidavit filed in support of the Writ Petition and the impugned notice dated 08.12.2025 issued under Section 94 of 'the BNSS' by Respondent No.6, the Sub-Inspector of Police, I Town Police Station, Vijayawada, directing debit freeze of two bank accounts belonging to the petitioner.

8. This Court has analyzed this issue in detail in **Blue Sea Ventures LLP., v. State of A.P.,**[1] while referring to the judgments of the Hon'ble Apex Court in **Shento Varghese v. Julfikar Husen**[2], **Headstar Global (P) Ltd. v. State of Kerala**[3]**, Malabar Gold & Diamond Ltd. v. Union of India**[4]**, State of Maharashtra v. Tapas D. Neogy**[5], and **Radha Krishan Industries v. State of H.P**[6]**,** and held that the police have no jurisdiction to request or direct the bank to freeze the account of any person merely on the ground of suspicious transactions under Section 94 of 'the BNSS'.

9. Considering the entire facts and circumstances of the case, this Court is of the considered opinion that the impugned notice dated 08.12.2025 issued by Respondent No.6 under Section 94 of 'the BNSS', directing debit freeze of the petitioner's bank accounts, is liable to be set aside. However, Respondent No.7/Bank shall have lien over the suspected amount in the accounts of the petitioner in the current accounts maintained by him. This order shall be in force until an order is passed by the learned jurisdictional Magistrate by

[1] W.P.No.5034 of 2026, dated 31.03.2026
[2] (2024) 7 SCC 23
[3] 2025 SCC OnLine Ker 3546
[4] 2026 SCC OnLine Del 297
[5] (1999) 7 SCC 685
[6] (2021) 6 SCC 771

invoking the powers under Section 106 of 'the BNSS' on any petition filed by the prosecution. Any such order passed by the learned Magistrate shall be final and binding on the parties.

10. In the result, the Writ Petition is disposed of. There shall be no order as to costs.

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

Dr.Y. LAKSHMANA RAO, J.

Date: 23.04.2026
RSI

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THE HONOURABLE DR JUSTICE Y. LAKSHMANA RAO

<u>WRIT PETITION NO: 6380 of 2026</u>

Date: 23.04.2026
RSI