THE HON'BLE SRI JUSTICE C. PRAVEEN KUMAR

CRIMINAL PETITION No.3 of 2015

ORDER

The petitioners, who are A1 and A2, filed the present application under Section 438 Cr.P.C. seeking release in the event of their arrest in connection with Crime No.829 of 2014 of Miyapur Police Station, Cyberabad, Ranga Reddy District, registered for the offence punishable under Section 420 IPC and under Sections 3 and 4 of A.P.Chit Fund Act.

2. The averments in the report disclose that the petitioners started a chit fund business, and believing the representations made by the petitioners, the informant joined as subscriber in the chit for Rs.12,50,000/- out of chit amount of Rs.25 lakhs. The remaining portion of the chit was allotted to another person. The said chit was for a period of 20 months starting from January, 2014. It is stated that the informant paid the chit amount for 9 months and later, when the informant demanded for the amount subscribed, the petitioners informed them that they have stopped the chit business and the amount would be paid. On 03.12.2014 at about 8.00 PM, when the informant went to the house of the petitioners, it was locked and the phone was also switched off. Again on 04.12.2014 at 10.00 AM., when he went to the house of the petitioners, he found 30 persons, who also paid the chit amount present there. Hence, the present report.

3. Heard learned counsel for the petitioners and learned Additional Public Prosecutor.

4. Learned counsel for the petitioners submits that even accepting the allegations in the report to be true, no offence is

made out against the petitioners. According to him, there is no proof to show that the petitioners used to run the chit fund business and the informant was a subscriber to the chit.

5. Learned Additional Public Prosecutor opposed grant of anticipatory bail. He contended that the statements of witnesses recorded by the police disclose the collection of amount by the petitioners and closure of the chit fund business without returning the amounts collected.

6. A perusal of the material placed before this Court would show that the informant joined as a subscriber to the chit of Rs.12,50,000/- in a chit for Rs.25 lakhs. The other portion of the chit was allotted to another person. After paying the amount for a period of nine months, the informant wanted return of the amount, but the petitioners, who have collected the amounts from large number of subscribers, failed to return the same. The petitioners are alleged to have locked the premises and absconded from their house. Therefore, the contention of the learned counsel for the petitioners that there is no proof to show that the petitioners used to run the chit and collected the amount from the subscribers cannot be accepted. The case is at the stage of investigation and the crime was registered only in the month of January, 2014. Apart from that the averments in the report and the statements of witnesses clearly disclose collection of money from the subscribers and closure of the business by the petitioners. Since the acts of the petitioners affect the society at large, I am not inclined to grant anticipatory bail to the petitioners.

7. Hence, the Criminal Petition is dismissed. However, it is needless to mention that the petitioners can surrender before the Court concerned and move an application for bail, which shall be

dealt with in accordance with law.

JUSTICE C. PRAVEEN KUMAR

20th January, 2015

sj