

IN THE HIGH COURT FOR THE STATE OF TELANGANA

AT HYDERABAD

THE HONOURABLE SMT JUSTICE K. SUJANA

CRIMINAL PETITION No.1665 of 2026

24.02.2026

Between:

Lakumarapu Lavanya.

PETITIONER

AND

The State of Telangana,
Rep by Public Prosecutor,
High Court for the State of
Telangana, at Hyderabad,
And another.

RESPONDENT

ORDER

This Criminal Petition is filed before this Court for grant of pre-arrest bail to the petitioner who is arrayed as accused in Crime No.16 of 2026 before the Amangal Police Station, Future City, registered for the offence punishable under Sections 318(4), 216(2) of BNS, and Section 5 of TSPDFEA.

2. The brief facts of the case are that on 06.02.2026 at about 11:00 hours, the complainant Derangula Sandhya @ Padma lodged a complaint at Amangal Police Station stating that one Lakumarapu Lavanya had been running a chit fund company in Amangal village for the past 15 years. The complainant initially joined a chit of Rs.1 lakh, which was duly paid on maturity, and thereafter invested in two chits of Rs.2 lakhs each, paying Rs.13,000/- per month through PhonePe and cash, totaling Rs.1,56,000/- over 12 months. On 04.02.2026, when she went to Lavanya's house to pay the January installment, she found the house locked and later learnt from another depositor that Lavanya had absconded about a week earlier after collecting deposits from several persons amounting to nearly Rs.2 crores. Based on the complaint, Crime No.16/2026 was registered for the offences as alleged.

3. Heard Sri Nageshwar Rao Pujari, learned counsel for petitioner, and Sri Ramachandra Reddy, learned Additional Public Prosecutor appearing on behalf of the respondent - State.

4. Learned counsel for the petitioner submitted that petitioner has been falsely implicated in the present case without any involvement in the alleged offences. He contended that the investments made by the complainant were voluntary and without inducement, hence no offence under Sections 318(4), 316(2) BNS or Section 5 of TSPDFEA is made out. He averred that to attract Section 5 of TSPDFEA, there must be a “Financial Establishment” as defined under the Act, which is absent in the present case since the petitioner was only running a chit fund governed by the Chit Funds Act, 1989. He further submitted that the dispute is purely civil in nature, arising out of alleged financial loss, but has been given a criminal colour. Therefore, he prayed the Court to grant pre-arrest bail to the petitioner by allowing this Criminal Petition.

5. Learned Additional Public Prosecutor vehemently opposed the submissions made by learned counsel for petitioners, and contended that the allegations in the complaint clearly disclose that the petitioner collected substantial amounts from several depositors under the

guise of chit fund operations and absconded with nearly Rs.2 crores, thereby cheating the public. The offences registered under BNS and TSPDFEA are serious in nature, involving financial fraud and public interest. The contention that the petitioner was merely running a chit fund and not a financial establishment is a matter for trial and cannot be accepted at this stage. The investigation is at a preliminary stage, and custodial interrogation of the petitioner may be necessary to trace the funds and identify other victims. Therefore, he prayed the Court to dismiss the criminal petition.

6. Having regard to the rival submissions and material on record, it is noted that even according to the complainant, there is no specific allegation of refusal on the part of the petitioner to pay the amounts. The investments appear to have been made voluntarily, and the dispute essentially arises out of financial transactions. Considering the nature of the offence alleged, and the role attributed to the petitioner, this Court deems it fit to grant

pre-arrest bail to the petitioner subject to the following conditions:

- i. The petitioner shall surrender before the Station House Officer, Amangal Police Station, Future City, within two weeks from today, and on such surrender, the said Station House Officer shall release them on bail on executing a personal bond for Rs.25,000/-, with two sureties, for the like sum each.
- ii. The petitioner shall abide by the other conditions stipulated in Section 482(2) of Bharatiya Nagarik Suraksha Sanhita, 2023 and co-operate with the Investigating Officer in investigating the case.
- iii. The petitioner shall appear before the concerned Investigating Officer on every Monday between 09:00 a.m, and 05:00 p.m., for a period of eight weeks or till the filing of the charge sheet,

whichever is earlier, and thereafter, as
and when required.

7. Accordingly, this Criminal Petition is allowed.

Miscellaneous applications, if any pending, shall stand closed.

K. SUJANA, J

Date: 24.02.2026
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