IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

THE HONOURABLE SMT. JUSTICE K. SUJANA

<u>CRIMINAL PETITION No.2746 of 2026</u>

DATE: 05.03.2026

Between:

Vemula Mallikarjun

.... Petitioner/accused No.1

AND

The State of Telangana,
Through P.S. Jagitial Town, Jagitial District,
Rep. by its Public Prosecutor,
High Court at Hyderabad.

...Respondent

<u>O R D E R</u>

This Criminal Petition is filed before this Court for grant of bail to the Petitioner who is arrayed as accused No.1 in FIR No.56 of 2026 of Jagtial Town Police Station, Jagtial District, registered for the offences punishable under Sections 61(2), 316(2), 318(4), 351(2) r/w 3(5) of the BNS, Section 5 of the Telangana Protection of Depositors of Financial Establishments Act-1999 and Sections 3 and 4 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978.

2. The case of the prosecution is that, on 31.01.2026, the de-facto complainant lodged a report before the police stating that the complainant became acquainted with A.1 and A.1 introduced him to a crypto-based multi-level marketing trading scheme called "UBIT" and induced him to invest by promising that the amount would become three times within 16 months, along with referral commissions and foreign tours. Believing the A.1, the complainant initially invested Rs.4 lakhs and later, invested more amounts in UBIT, UMT/UBIT, ULTRAVERSE COIN (UVC) and UVCX, as directed by A.1 along with A.2 and A.3, who are seven star members have conducted meetings and motivated further investments. Initially small returns were shown to gain trust. Later, withdrawal and conversion facilities were stopped. Coins were repeatedly renamed, and during the UVCX launch on 23-05-2025, the coin value suddenly crashed from 6 USD to 0.10 USD, causing heavy loss. The accused again diverted the complainant into another false scheme named "TRADINGPOOL APP", which also failed. As per A.l's instructions, the complainant transferred amounts to multiple bank accounts and PhonePe numbers and also paid large cash amounts, totaling approximately Rs.40 lakhs. Despite assurances of settlement on 26-12-2025, no money was returned. When the complainant questioned the A.1 to A.3, then they threatened the complainant. Thus, the A.l to A.3 and others

cheated the complainant and other victims by false promises, misrepresentation, and fraudulent UBIT crypto investment schemes, and misappropriated huge amounts. Hence, the complainant requested for necessary action. Basing on the said complaint, the police registered a case for the above said offences.

3. Heard Sri B. Arjun Rao, learned counsel representation Sri K. Sai Sruthin Rao, learned counsel appearing on behalf of the petitioner as well as Sri M. Ramachandra Reddy, learned Additional Public Prosecutor appearing for the respondent-State.

4. Learned counsel for the petitioner submitted that the petitioner is innocent of the said allegations and in fact, the petitioner herein is also a victim in the said crime and at the instance of accused No.2, the petitioner herein joined in the said scheme and he is in jail since 02.02.2026 and there is no such inducement or act of cheating committed by the petitioner herein and the material part of the investigation was already completed. Therefore, he prayed the Court to grant bail to him by allowing this criminal petition.

5. On the other hand, learned Additional Public Prosecutor opposed the submissions made by the learned counsel for the petitioner stating that the allegations against the petitioner are

serious in nature and due to the instructions of the petitioner herein, other victims invested amount in the said scheme and lost the money in the said scheme and they suffered in the hands of the accused and they have seized the said amounts from the petitioner. Further, the investigation is not yet completed. Therefore, he prayed the Court to dismiss the criminal petition.

6. In the light of the submissions made by both the learned counsel and upon perusal of the material available on record, it appears that the petitioner herein is in jail since 02.02.2026 and as seen from the record, the material part of the investigation was already completed. Considering the facts and circumstances of the case and also the seizure of the amounts from the petitioner, the nature of the allegations, the stage of investigation, the duration of incarceration, this Court finds it appropriate to grant bail to the petitioner, subject to the following conditions:

i. The petitioner shall execute a personal bond for a sum of Rs.25,000/- (Rupees Twenty Five Thousand only), with two sureties for a like sum each to the satisfaction of the learned I Additional Judicial Magistrate of First Class, at Jagtial.

ii. The petitioner shall appear before the concerned SHO at 11:00 a.m., on every Monday for a period of eight (8) weeks or till filing of charge sheet whichever is earlier, for the purpose of investigation, and thereafter, as and when required.

iii. The petitioner shall abide by the conditions stipulated in Section 437(3) of Cr.P.C. (presently, Section 480(3) of the BNSS).

7. Accordingly, the Criminal petition is allowed.

Miscellaneous applications, if any pending, shall stand closed.

K. SUJANA, J

Date: 05.03.2026
nsp

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