IN THE HIGH COURT FOR THE STATE OF TELANGANA

AT HYDERABAD

THE HONOURABLE SMT. JUSTICE K. SUJANA

CRIMINAL PETITION No.6422 of 2026

DATE: 01.05.2026

BETWEEN:
Nelli Kumaraswammy
S/o Laxmaiah.

..... Petitioner/Accused No.8

And

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

..... Respondent/Complainant

O R D E R

This Criminal Petition is filed under Section 482 of Bharatiya Nagarik Suraksha Sanhita, 2023 (for short 'BNSS') for grant of pre-arrest bail to the petitioner, who is arrayed as accused No.8 in Crime No.40 of 2026 before the Sircilla Town Police Station, Rajanna Sircilla District, registered for the offences punishable under Sections 318(4) of Bharatiya Nyaya Sanhita, 2023 (BNS), Section 5 of Telangana Protection of Depositors of Financial Establishments Act – 1999 (TSPDFE Act) and Section 3 read with 4 of Prize Chits and Money Circulation Scheme (Banning) Act 1978.

2. The brief facts of the case are that the *de facto* complainant lodged a report before the police on 23.01.2026 stating that Accused Nos.1 to 6, with the active involvement of Accused No.7, namely the Management of Eagle Coin Company, dishonestly induced and misrepresented to him and other innocent members of the public to invest substantial amounts of money in "Eagle Coin" under the guise of Bitcoin / crypto currency investments. The accused persons allegedly promised abnormal and unrealistic profits, assuring returns of two to three times the invested amounts within a short period. Believing the false representations made by the accused, the complainant initially paid a sum of Rs.9,000/- to Accused No.1 for opening an account in the Eagle Coin mobile application. Subsequently, on 15.09.2025, the complainant invested a further sum of Rs.11,00,000/- through the said application. However, he received only Rs.1,20,000/- towards returns. Thereafter, despite repeated requests, the remaining invested amount was neither returned nor was the promised profits paid. At the instance and directions of Accused Nos.1 to 6, several other victims were also induced to invest huge amounts in the Eagle Coin

scheme. Later, they came to know that they had been cheated and that the scheme was fraudulent in nature. Based on his report, the police registered a case against the accused for the alleged offences.

3. Heard Sri V.Yadu Krishna Sainath, learned counsel appearing on behalf of the petitioner, and Sri M.Ramachandra Reddy, learned Additional Public Prosecutor appearing on behalf of the respondent–State.

4. Learned counsel for the petitioner submitted that the petitioner is arrayed as Accused No.8; that even according to the averments made in the complaint, the petitioner is no way directly connected with alleged crime and the only allegation against the petitioner is that at his instance along with other accused, the *de-facto* complainant invested money in the said company. He further submitted that custodial interrogation of the petitioner is not required for the purpose of investigation and that Section 5 of the TSPDFE Act is not applicable to the petitioner, as he is neither a promoter nor a person responsible for managing the affairs of the company. Therefore, he prayed the Court to grant pre-arrest bail to the petitioner by allowing this Criminal Petition.

5. On the other hand, the learned Additional Public Prosecutor opposed the petition contending that the case involves a serious financial fraud affecting multiple victims and that recovery of the defrauded amounts is still pending and that the investigation is at a crucial stage. The allegation against the petitioner, along with other accused, is that they cheated several innocent members of the public by inducing them to invest huge amounts of money in an illegal money circulation scheme under the guise of crypto currency investment in "Eagle Coin," falsely projecting it as similar to Bitcoin, thereby causing substantial financial loss. Therefore, prayed the Court to dismiss the criminal petition.

6. In light of the submissions made by both learned counsel and upon perusal of the material available on record, it is evident that the petitioner is arrayed as Accused No.8 and the allegations are that he, along with other accused, induced several innocent members of the public to invest huge amounts of money in an illegal money circulation scheme and that, at his instance, the *de-facto* complainant invested Rs.11,00,000/- and received only Rs.1,20,000/- as returns. Considering the facts and circumstances of the case,

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, Sircilla Town Police Station, Rajanna Sircilla District within two weeks from today, and on such surrender, the said Station House Officer shall release him on bail on executing a personal bond for Rs.25,000/- (Rupees Twenty Five Thousand only) 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 Wednesday between 09:00 a.m, and 05:00 p.m., for a period of eight (8) 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: 01.05.2026
YVL