IN THE HIGH COURT FOR THE STATE OF TELANGANA

AT HYDERABAD

THE HONOURABLE SMT. JUSTICE K. SUJANA

CRIMINAL PETITION No.9174 of 2026

DATE: 01.07.2026

BETWEEN:

Sanjay Kumar Ulsha

.....petitioner/accused No.7

And

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

.....Respondent/complainant

ORDER

This Criminal Petition is filed praying this Court to enlarge the petitioner on bail who is arrayed as accused No.7 in Crime No.37 of 2026 before the EOW, Team – I, CCS (DD) Hyderabad, registered for the offence punishable under

Sections 406, 420 of IPC, Section 5 of the Telangana Protection of Depositors of Financial Establishments Act, 1999 and Section 3 and 4 PC & MCSBA.

2. The brief facts of the case are that, on the basis of a complaint lodged by the de facto complainant alleging that she was induced by the accused persons to invest in the business of Vihaan Direct Selling (India) Private Limited on the promise of earning high commissions through a direct selling network, Panjagutta Police initially registered Crime No.265 of 2021 for the offences punishable under Sections 406 and 420 IPC and Sections 3 and 4 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978. It is alleged that after paying an amount of Rs.2,57,100/- towards registration and undergoing training, the complainant realized that she had been deceived and was denied a refund unless she introduced new members into the scheme. Subsequently, the case was transferred to the Economic Offences Wing, CCS, Hyderabad, re-registered as Crime No.37 of 2026, and Section 5 of the Telangana Protection of Depositors of Financial Establishments Act, 1999 was also invoked. During the course of investigation, the

petitioner was arrayed as accused No.8 and arrested for the aforesaid offences.

3. Heard Sri T.S. Anirudh Reddy, learned counsel appearing on behalf of the petitioner as well as Sri D. Arun Kumar, learned Additional Public Prosecutor appearing on behalf of the respondent – State.

4. Learned counsel for the petitioner submitted that the petitioner is innocent and has been falsely implicated in the present case. He contended that though the original FIR was registered in the year 2021, the petitioner had been cooperating with the investigation throughout, and after nearly five years the case was re-registered and he was arrested without any fresh incriminating material. He further submitted that the complainant had voluntarily joined the business and purchased the products with an expectation of earning monetary benefits. He argued that the petitioner had no direct or indirect interaction with the complainant and played no role either in her enrolment or in any financial transaction. He further submitted that the petitioner was merely an independent distributor who himself joined the company in the year 2022 by paying Rs.4.5 lakhs and was not

holding any managerial or decision-making position in the company. It is further submitted that the petitioner has not been associated with the company for the past few years and that his implication is solely based on the confession of co-accused, which is inadmissible in evidence. Therefore, he prayed the Court to grant bail to the petitioner 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 investigation has revealed the involvement of the petitioner in the fraudulent money circulation scheme, whereby innocent persons were induced to invest substantial amounts on the promise of high returns through a multi-level marketing network. He further submitted that the petitioner was an active participant in the illegal scheme and that his role surfaced during the course of investigation. Further, the investigation is not yet completed. At this stage, granting of bail to the petitioner does not arise. Therefore, he prayed the Court to dismiss the Criminal Petition.

6. In the light of the submissions made by both the learned counsel and a perusal of the material available on record, it appears that the petitioner is in jail since 17.05.2026. As seen from the record, the material part of the investigation has been completed and L.Ws.1 to 19 witnesses have been examined. Considering the facts and circumstances of the case and the incarceration period of the petitioner, this Court deems it fit 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) each, with two sureties for a like sum each to the satisfaction of the Chief Judicial Magistrate Nampally, Hyderabad.

ii. The petitioner shall appear before the concerned SHO at 11:00 a.m., on every Monday for a period of eight (8) week 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: 01.07.2026
SAI

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