IN THE HIGH COURT FOR THE STATE OF TELANGANA

AT HYDERABAD

THE HONOURABLE SMT. JUSTICE K. SUJANA

CRIMINAL PETITION No.9178 of 2026

DATE: 01.07.2026

BETWEEN:

Vasavi Thodupunuri and another

.....petitioners/accused

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 petitioners on bail who are arrayed as accused Nos.6 and 8 in Crime No.37 of 2026 before EOW Team – I, CCS, DD, Hyderabad, registered for the offence punishable under Sections 406, 420 of IPC, Section 5 of Telangana Protection of Depositors of Financial Establishments Act, 1999 and Sections 3 and 4 of PC & MCSBA.

2. The prosecution case, in brief, is that a case was originally registered in Crime No.265 of 2021 by Panjagutta Police 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, on the complaint of the de facto complainant, who alleged that she was induced by the accused to join Vihaan Direct Selling (India) Private Limited/QNET by investing an amount of Rs.2,57,100/- on the promise of earning commissions through direct selling. Subsequently, she realized that she had been trapped in a money circulation scheme and was denied refund of her investment unless she enrolled new members. Thereafter, the case was transferred to CCS, Hyderabad, and re-registered as Crime No.37 of 2026, with the addition of Section 5 of the Telangana Protection of Depositors of Financial Establishments Act, 1999. During the course of investigation, the present petitioners/A6 and A8 were arrayed as accused on the allegation that they were independent distributors who

had joined the company and recruited other persons into the scheme.

3. Heard 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 petitioners submitted that the petitioners are innocent and have been falsely implicated in the present case. He contended that the original crime was registered in the year 2021 and the petitioners had cooperated with the investigation throughout, but after about five years the case was re-registered and they were arrested. He further submitted that the de facto complainant had voluntarily joined the business by purchasing products and had no direct interaction or business transaction with the petitioners. It was argued that the petitioners were only independent distributors and not office bearers or managerial personnel of the company, and their implication is solely based on the inadmissible confession statement of a co-accused. Therefore, he prayed the Court to grant bail to the petitioners by allowing this Criminal Petition.

5. On the other hand, learned Additional Public Prosecutor opposed the submissions made by the learned counsel for the petitioners stating that the material collected during the course of investigation discloses the involvement of the petitioners in promoting and operating an illegal money circulation scheme under the guise of direct selling, thereby inducing innocent persons to invest substantial amounts on the promise of high returns. He submitted that the petitioners actively recruited members into the scheme and their role surfaced during the course of investigation. Further, the investigation is not yet completed. At this stage, granting of bail to the petitioners 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 petitioners are 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

petitioners, this Court deems it fit to grant bail to the petitioners, subject to the following conditions:

i. The petitioners 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 petitioners 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 petitioners 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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