

IN THE HIGH COURT FOR THE STATE OF TELANGANA

AT HYDERABAD

THE HONOURABLE SMT. JUSTICE K. SUJANA

CRIMINAL PETITION No.9440 OF 2026

DATE : 03.07.2026

Between :

Kapu Hemakanth Reddy

... Petitioner/A.2

And

The State of Telangana

... Respondent/Complainant

: ORDER :

This Criminal Petition is filed under Sections 480 & 483 of Bharatiya Nagarik Suraksha Sanhita, 2023 praying this Court to enlarge the petitioner on bail who was arrayed as accused No.2 in connection with Crime No.27 of 2026 of EOW Cyberabad Police Station, Cyberabad. The offences alleged against the petitioner are under Sections 318(4), 316(2), 316(5) r/w.61(2) of Bharatiya Nyaya Sanhita, 2023 and Section 5 of the Telangana Protection of Depositors and Financial Establishments Act, 1999 (TSPDFEA Act).

2. The facts of the case are that the de facto complainant, who was acquainted with the accused through the direct selling business, was induced by the accused to invest in an investment scheme promoted under the name Subhakshetra Projects Private Limited. The accused allegedly promised registration of a 102-square-yard plot in a proposed DTCP-approved venture, monthly returns of Rs.25,000/- for 42 months, and insurance coverage of Rs.5,00,000/- upon an investment of Rs.5,00,000/-. Believing these words, the complainant and several other investors paid substantial amounts through bank transfers, cash, and cheques. It is alleged that the accused collected approximately Rs.6,58,50,000/- from 33 investors but neither registered the promised plots nor paid the assured monthly returns. When the investors demanded for return of their money, the accused allegedly postponed repayment and threatened them. On the basis of the complaint, a case was registered in Crime No. 27 of 2026 for the above offences.

3. Heard Sri Md. Arshad Ahmed, learned counsel appearing for the petitioner and Sri D.Arun Kumar, learned Additional Public Prosecutor appearing for the respondent-State.

4. The contention of learned counsel for the petitioner is that petitioner was arrested on 02.05.2026 and has been in judicial custody since then. It is contended that the petitioner was subjected to four days of police custody, during which no incriminating material was recovered from him, and his custodial interrogation is no longer required as the investigation is substantially complete. It is further submitted that the petitioner is an Executive Director by profession, has no criminal antecedents, is not a flight risk, and is willing to cooperate with the investigation and abide by any conditions imposed by the Court. Learned counsel further contended that the allegations against the petitioner are vague and that no specific act of cheating or wrongful gain has been attributed to him. It is also contended that the principal role in the alleged offence is attributed to A1, while the petitioner has neither been shown to be the beneficiary of the alleged proceeds of crime nor linked to any illegal assets. Learned counsel further submits that the petitioner himself had earlier lodged a complaint in FIR No.258 of 2026 of Punjagutta Police Station against A1 alleging that he had been cheated by A.1, and the petitioner has also been shown as a victim. Hence, prayed this Court to grant bail to the petitioner.

5. On the other hand, learned Additional Public Prosecutor vehemently opposed bail contending that the petitioner along with other accused committed a serious economic offence involving huge amounts and multiple victims. The petitioner is also a key person in this offence. The investigation is at initial stage and if petitioner is granted bail there is every likelihood of tampering with the evidence and threaten the witnesses. As such, petitioner is not entitled to bail and prayed to dismiss this petition.

6. Considering the submissions made and the material placed on record, the petitioner herein is arrayed as A.2 and according to the prosecution, he is one of the Executive Director of Subhakhsethra Projects and he induced the victims to deposit amounts, whereas the contention of learned counsel for the petitioner is that petitioner is also one of the victim in the hands of A.1 and he also deposited amount. All the allegations are against A.1 and there is no allegation against this petitioner. Petitioner is in jail from 02.05.2026 and the record shows that sofar 32 witnesses are examined. Considering the nature of allegations, period of incarceration of petitioner in jail and

progress in investigation, 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) with two sureties for a like sum each to the satisfaction of the I-Additional District & Sessions Judge, Ranga Reddy District at L.B.Nagar.
- ii. The petitioner shall appear before the concerned SHO between 09.00 a.m and 5.00 p.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 483(2) of the BNSS.

7. Accordingly, the Criminal Petition is allowed.

Miscellaneous petitions, if any, pending shall stand closed.

Date : 03.07.2026
Rds

K. SUJANA, J

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