IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

THE HONOURABLE SRI JUSTICE N.TUKARAMJI

CRIMINAL PETITION No.18139 OF 2026

(CNR No.HBHC010760282026)

DATE: 13.11.2026

Between :

Bathani Venkata Rangaiah.

... Petitioner-accused No.1

AND

The State of Telangana.

... Respondent

ORDER:

This Criminal Petition is filed under Section 482 of Bharatiya Nyaya Suraksha Sanhita, *2023* (for short, 'BNSS'), seeking the relief of anticipatory bail.

2. The petitioner is arrayed as accused No.1 in Crime No.436 of 2026 on the file of theMangalhatPolice Station, Hyderabad, facing accusations under Sections 318(4), 316(2) of the *Bharatiya Nyaya Sanhita, 2023* (for short 'BNS') and Section 5 of theTelangana State Protection of Depositors of Financial Establishments, 1999 (for short 'TSPDFE Act').

3. Heard Mr.Kongara Raj Kumar, learned counselfor the petitioner andMr.Syed Yasar Mamoon, learned Additional Public Prosecutor, representing the respondent-State.

4. The prosecution case, in brief, is that the petitioner, being the Director of the Chit Fund Company, introduced the de facto complainant to the chit scheme operated by the company. Pursuant thereto, the de facto complainant, along with others, subscribed to a chit group having a total chit value of Rs.30,00,000/-. Though the chit was stated to have been subscribed, it commenced on 29.01.2022 and was operated for a period of 36 months. Upon completion of the said period, when the de facto complainant approached the petitioner and the other accused seeking release of the chit amount, they allegedly failed to pay the amount due. It is further alleged in the police report that the de facto complainant had paid a total sum of Rs.21,60,000/- towards the chit fund instalments. On the basis of these allegations, the present crime came to be registered.

5.1. Learned counsel for the petitioner submits that the petitioner was associated with a chit group operated by his company, namely, *Sailikhith Chit Fund Private Limited*, which was duly incorporated with the Registrar of Companies. He further submits that, even according to the allegations in the complaint, the de facto complainant voluntarily subscribed to the chit group and paid the prescribed instalments over a period of 36 months. However, the determination of the respective entitlements of the subscribers, the amounts payable under the chit and the alleged failure to release the chit amount would necessarily require an examination of the relevant transactions and accounts. It is contended that any dispute arising out of the alleged non-payment of the chit amount can

appropriately be raised before the Registrar of Chit Funds by invoking the remedies available under the provisions of the Chit Funds Act, 1982.

5.2. Learned counsel further submits that the invocation of Section 5 of the TSPDFE Act is an attempt to circumvent the statutory requirement of issuing a notice under Section 35(3) of the BNSS, particularly when the other offences alleged against the petitioner are punishable with imprisonment for a term extending up to seven years. He contends that, in any event, the ingredients of Section 5 of the TSPDFE Act are not attracted to the facts of the present case, as the amounts collected towards chit fund instalments cannot be construed as 'deposits' within the meaning of the definition of the said term under the relevant enactment.

5.3. Learned counsel also submits that the chit group in question was duly registered with the Registrar of Chit Funds and that the de facto complainant has efficacious remedies available under the relevant statutory provisions. He further submits that the petitioner is ready and willing to cooperate with the investigating agency and to abide by any conditions that may be imposed by this Court while granting relief. Contending that the petitioner has a reasonable apprehension of arrest and other coercive action at the hands of the police, learned counsel prays that the petitioner be enlarged on anticipatory bail.

6. Per contra, learned Additional Public Prosecutor opposes the petition and submits that the petitioner/A1 is the Director of the Chit

Fund Company, which allegedly collected substantial amounts from the subscribers but failed to repay the amounts due even after the expiry of the stipulated period. It is further submitted that the investigation is still in progress and that the custodial interrogation of the petitioner may be necessary to ascertain various material facts and other relevant aspects relating to the alleged offence. On these grounds, learned Additional Public Prosecutor prays for dismissal of the petition.

7. I have carefully considered the rival submissions and perused the materials available on record.

8. The gravamen of the allegations is that, despite the de facto complainant having paid a sum of Rs.21,60,000/- towards the chit instalments, the Company failed to release the chit amount upon completion of the stipulated period. It is specifically alleged that the petitioner, being the Director of the Company, induced the de facto complainant to join the chit group. The petitioner's precise role, the representations allegedly made by him, and the circumstances surrounding the collection and non-payment of the chit amount are matters requiring investigation.

9. At this stage, it would be premature to record any finding as to whether the petitioner had a dishonest or fraudulent intention at the inception of the transaction or whether the non-payment was attributable to misappropriation, diversion of funds or other circumstances relating to the Company's affairs. Similarly, the petitioner's alleged claim or

entitlement in respect of the amounts collected or payable by the Company would require examination of the relevant records and accounts.

10. While considering an application for anticipatory bail under Section 482 of the BNSS, the Court must take into account the nature and gravity of the accusation, the specific role attributed to the applicant, his antecedents, the possibility of his absconding or influencing witnesses or tampering with evidence, and the necessity for custodial interrogation. In *Gurbaksh Singh Sibbia v. State of Punjab*, (1980) 2 SCC 565, the Constitution Bench held that the discretion to grant anticipatory bail must be exercised judiciously, having regard to the facts and circumstances of each case, without imposing rigid or inflexible conditions. Further, in *Sushila Aggarwal v. State (NCT of Delhi)*, (2020) 5 SCC 1, the Constitution Bench reiterated that anticipatory bail need not invariably be restricted to a fixed period and that appropriate conditions may be imposed depending upon the circumstances of the case.

11. Though custodial interrogation may be necessary in appropriate cases to facilitate an effective investigation, as recognised in *State represented by the CBI v. Anil Sharma*, (1997) 7 SCC 187, a mere assertion by the prosecution regarding its necessity, without demonstrating the specific investigative requirement, cannot, by itself, justify denial of anticipatory bail. Such necessity must be assessed in the

context of the allegations and the material available to the investigating agency.

12. In the instant case, this Court has taken note of the fact that the chit scheme was operated by *Sailikhith Chit Fund Private Limited*, which is stated to have been incorporated with the Registrar of Companies, and that the chit group was also registered with the Registrar of Chit Funds. Though these circumstances do not, by themselves, absolve the petitioner of the allegations, they are relevant in assessing the necessity for his custodial interrogation. Further, the prosecution has not demonstrated any specific investigative requirement necessitating the petitioner's custodial interrogation which cannot be addressed by directing him to cooperate with the investigation.

13. Having regard to the nature of the allegations, the circumstances of the case and the petitioner's willingness to cooperate with the investigation, this Court is of the considered view that the petitioner has made out a case for grant of anticipatory bail. The interests of the investigation can adequately be safeguarded by imposing appropriate conditions to secure his availability, ensure his cooperation and prevent interference with the investigation or tampering with evidence.

14. Accordingly, the Criminal Petition is allowed, subject to following conditions.

(A) The petitioner/accusedNo.1 shall surrender before the Station House Officer, Mangalhat Police Station, Hyderabad, on or before 28.11.2026. Upon such surrender or in the event of arrest the Station House Officer shall release him on bail on execution of a personal bond for a sum of Rs.25,000/- (Rupees Twenty FiveThousand only) with two sureties for a like sum each, to the satisfaction of the said officer.

(B) The petitioner shall appear before the Investigating officer on every Tuesday and Saturday between 10.00AM to 03.00PM, for a period of twelve (12) weeks from the date of his release on bail or until the filing of the final result, whichever is earlier.

(C) The petitioner shall remain available for investigation as and when required by the Investigating Officer and shall cooperate fully with the investigation.

(D) The petitioner shall furnish his complete residential address and contact details to the Investigating Officer and shall keep the same updated throughout the course of investigation.

(E) The petitioner shall not either directly or indirectly induce, threaten, influence, or contact any prosecution witness, nor shall he tamper with the prosecution evidence in any manner whatsoever.

(F) The petitioner shall strictly comply with all the conditions contemplated under Section 482(2) of the BNSS.

(G) Any willful breach or violation of any of the aforesaid conditions shall render the petitioner liable to appropriate proceedings before the court below, including cancellation of bail, in accordance with the provisions of the BNSS and other applicable law.

15. It is made clear that any observations made herein are confined solely to the adjudication of the present application for anticipatory bail and shall not be construed as an expression on the merits of the case. Miscellaneous applications, if any pending, shall stand closed.

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N.TUKARAMJI, J

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