

IN THE HIGH COURT FOR THE STATE OF TELANGANA

AT HYDERABAD

THE HONOURABLE SMT. JUSTICE K. SUJANA

CRIMINAL PETITION No.15462 of 2025

DATE: 17.12.2025

BETWEEN:

Rayudu Chandra Sekhar

.....petitioner/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 petitioner on bail who is arrayed as accused
No.1 in Crime No.124 of 2025 before the INSP ADMIN DD

Police Station, Hyderabad, registered for the offence punishable under Sections 316(5), 318(4), 338, 336(3) and 340(2) read with 61(2) of BNS.

2. The brief facts of the case are that on 23.09.2025 before the XII Additional Chief Judicial Magistrate, Nampally, stated that the Branch Manager of Citizen Co-operative Society, S.R. Nagar Branch, Sri Rayudu Chandra Sekhar, had allegedly conspired with one customer, Lakkimsetty Naga Visweswara Rao, and others to sanction gold loans on the basis of spurious gold ornaments. It was alleged that 39 fraudulent gold loans amounting to Rs.2,49,74,000/- were sanctioned between November 2024 and April 2025 and that several gold-loan bags were later found missing or containing fake gold. The successor Branch Manager reported the discrepancies, after which internal vigilance and audit inquiries were conducted, leading to the suspension of the petitioner and registration of the FIR.

3. Heard Sri Y. Shreyas 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 had served the Society for over two decades with an untarnished record and had fully cooperated with the internal inquiries and that the sanctioning of loans was based on the certification of the Appraiser and that the petitioner had no role in testing or safe custody of gold, which was the responsibility of the Appraiser and Joint Custodians. He further submitted that there was an unexplained delay of five months in lodging the FIR despite the completion of audits and departmental proceedings, showing that the complaint was an afterthought meant to give a criminal colour to what was essentially a procedural lapse. He contended that the entire case rested on documentary evidence already seized, custodial interrogation was unnecessary. 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 there are serious allegations against the petitioner. Further, the investigation was 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 on a perusal of the material available on record, it appears that the main allegation against the petitioner, who was working as the Branch Manager, is that he allegedly colluded with certain customers and facilitated the sanction of gold loans on the basis of spurious gold ornaments, resulting in substantial financial loss to the Society. The investigation papers indicate that several gold-loan bags were found missing or containing fake gold, and the authorization of the petitioner played a role in the processing of the disputed loans. On the other hand, the petitioner asserts that he sanctioned the loans only after receiving certification from the Appraiser and that the responsibility for testing, valuation, and custody of gold lies

with the Appraiser and Joint Custodians. Further, as seen from the record, the petitioner has been in judicial custody since 07.10.2025 and that material part of the investigation has been completed, with witnesses L.Ws.1 to 12 having already been examined. Considering the facts and circumstances of the case as well as 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), with two sureties for a like sum each to the satisfaction of the learned XII Additional Chief Judicial Magistrate, Hyderabad, Nampally.
- 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: 17.12.2025
SAI

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