IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

THE HON'BLE JUSTICE B.R.MADHUSUDHAN RAO

CRIMINAL PETITION No.17307 OF 2026

CNR.No. HBHC010726192026

DATE: 02.11.2026

BETWEEN:

1.Mallem Sheshuvardhana Reddy @ Shashu Vardhan Reddy
2.Baggi Ravindra Babu @ Ravinder
3.Devula Jagadish
4.Smt. Sushmitha Pindi

... Petitioners –
Accused Nos.1 to 4

And

The State of Telangana,
Through the Station House Officer,
Zaheerabad Town Police Station, Sangareddy District,
Rep. by its Public Prosecutor,
High Court for the State of Telangana at Hyderabad.

... Respondent - Complainant

ORDER

1. This memorandum of Criminal Petition is filed under Sections 480 and 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (BNSS) praying this Court to enlarge the petitioners – accused Nos.1 to 4 on bail in connection with Crime No.363 of 2026 of P.S. Zaheerabad Town Police Station, Sangareddy District. The offences alleged against the petitioners – accused Nos.1 to 4 are under Sections 318(4), 316(2), 352, 351(3) r/w Section 3(5) of

BNS and Section 5 of Telangana Protection of Depositors of Financial Establishment Act, 1999[for short 'TPDFEA'].

2. Heard Sri B.Mayur Reddy, learned Senior Counsel representing Sri G.Vaasudeevudu, learned counsel for the petitioners and Sri D.Arun Kumar, learned Additional Public Prosecutor appearing for the respondent – State.

3. Learned Senior Counsel for the petitioners submits that the very genesis of the present crime is false. Complainant who is not at Zaheerabad at all but was at Ginger Hotel, Airport Road, Shamshabad, Hyderabad, nearly 100 kms away and within the Hyderabad City Police Commissionerate together with Sri N.Willy Francis, Sri P.Arvind Kumar and about 40 associates where they had surrounded and confined the petitioners – A1 to A4 and their families from about 11.00 p.m., on 20.08.2026 until about 05.00 a.m., on 21.08.2026. It was physically impossible for the defacto complainant to present any report at Zaheerabad at 00:30 hours. Smt.Srilatha Devula and Smt.Mallam Arun wives of petitioner No.3 – A3 and petitioner No.1 – A1 respectively lodged a written complainant dated 15.09.2026 before the Commissioner of Police, Hyderabad City Police Commissionerate and other police officers on 15.09.2026 and also lodged another complaint of even date before Director General of Police, Telangana State and other

Commissonerates. Two separate Crimes were registered in the police station on the same day i.e., the present crime and Crime No.365 of 2026. The figures projected are mutually contradictory and inflated. There is no scrap of proof in support of the alleged cash payments. A bare oral assertion of payments in crores, unsupported by a single document cannot be elevated to prima facie material sufficient to deprive a citizen of his personal liberty under Article 21 of the Constitution of India. Section 5 of TPDFEA is inapplicable and has been invoked without any material to support it. Petitioners –A1 to A4 were taken police custody from 15.09.2026 to 19.09.2026 vide Crl.M.P.No.604 of 2026 which was allowed by the learned Sessions Court on 11.09.2026. The continued detention of the petitioners – A1 to A4 has ceased to serve any purpose and has become punitive. Petitioners – A1 to A4 are arrested and remanded to judicial custody on 21.08.2026. Complainant and their associates are influential persons at and around Zaheerabad. In support of his contention has relied on the decisions in the cases of (i) Rakesh Kumar Paul Vs. State of Assam[1], (ii) V.Madhavi and another Vs. State of Telangana represented by its Public Prosecutor, High Court buildings, Hyderabad, through SHO, Hanamkonda, Telangana and another[2]

[1] (2017) 15 SCC 67
[2] 2025:TSHC:42112

(iii) M.Anil Kumar Vs. State of Telangana[3], entire investigation is completed and prayed to enlarge the petitioners – A1 to A4 on bail.

4. Sub Inspector of Police, Zaheerabad Town PS, Sangareddy District has filed his written instructions dated 15.10.2026. It is stated that petitioners – A1 to A4 are involved in Crime No.135 of 2026 of Gachibowli PS, Crime No.38 of 2025 of EOW PS, Cyberabad and Crime No.365 of 2026 of Zaheerabad town PS. A1 to A4 who were running Naykey traders at Bachupally, Hyderabad, induced the complainant and other investors to invest money, gold and silver trading by promising high profits. After initially paying returns to gain their trust they collected huge amounts including Rs.14,98,06,112/- from the complainant and failed to repay the investments and threatened the investors when they demanded their money back.

5. Learned Additional Public Prosecutor submits that the role played by the petitioners – A1 to A4 is clearly depicted in the remand case diary. Investigation is pending and prayed to dismiss the petition.

6. M.Israel has lodged a report before PS Zaheerabad town, Sangareddy District on 21.08.2026. It is stated in the complaint

[3] Crl.P.No.13066 of 2026, dated 21.08.2026 of the High Court for the State of Telangana, Hyderabad.

that about two years back his friend N.Willi Francis introduced him to Sheshu Vardhan Reddy through Pothuraju Arvind. Sheshu Vardhan Reddy informed him that he is doing gold business, investing in it could bring very good profits and suggested him to invest in it. He along with his friends and relatives started investing in Naykey traders since last year. Sheshu Vardhan Reddy, who is the representative of Naykery traders along with his employees Ravinder and Jagdish and the Proprietor Sushmitha Pindi have tempted him and his friends and relatives for investing the money. He and 13 others have invested the money amounting to around Rs.8,49,06,112/- though online transactions and Rs.6,49,00,000/- by cash, totaling up to Rs.14,98,06,112/-. Sheshu Vardhan Reddy and others did not return the money back to the complainant and other 13 persons. Basing on the said complaint, FIR came to be registered under different Sections of BNS and Section 5 of TSPDFA.

7. Petitioners – A1 to A4 were arrested and remanded to judicial custody on 21.08.2026, since then they are in jail. A5 - Nikhil Francis, A6 – Nirmal Kumar were arrested and remanded to Judicial custody on 24.08.2026. In the remand report dated 24.08.2026 A7-A.Naveen is shown as absconding and that

respondent has altogether examined 10 witnesses in support of the case.

8. Respondent has taken the police custody of A1 to A4 vide Crl.M.P.No.604 of 2026 in Crime No.363 of 2026 and the same came to be allowed by the learned Sessions Court on 11.09.2026 by granting police custody of the petitioners – A1 to A4 from 15.09.2026 to 19.09.2026.

9. Petitioners – A1 to A4 have filed regular bail petition before the learned Sessions Court vide Crl.M.P.No.573 of 2026 in the present crime, the same came to be dismissed vide order dated 22.09.2026 with an observation that if the petitioners – A1 to A4 are enlarged on bail at this stage, there is chance of threatening the witnesses, tampering the evidence and flee from justice and commit similar offences.

10. Petitioners – A1 to A4 have filed separate bail petitions before the learned Sessions Court vide Crl.M.P.Nos.705, 704, 702 and 703 of 2026 in the present crime, all petitions came to be dismissed by a common order dated 12.10.2026 by observing that there are no changed circumstances after the dismissal of the earlier bail petition.

11.1 In Rakesh Kumar Paul[1], Supreme Court observed at paragraph Nos.20, 84.2 and 84.3 which reads as under:

> 20. The learned counsel for the petitioner relied upon Rajeev Chaudhary v. State (NCT of Delhi) - [(2001) 5 SCC 34 : 2001 SCC (Cri) 819] to contend that "not less than" 10 years' imprisonment must mean a minimum of 10 years' imprisonment. In that decision, the offence was punishable under Section 386 IPC which provides that an accused, if found guilty, shall be punished with imprisonment for a term "which may extend to 10 years". ["386. Extortion by putting a person in fear of death or grievous hurt.—Whoever commits extortion by putting any person in fear of death or of grievous hurt to that person or to any other, shall be punished with imprisonment of either description for a term which may extend to ten years, and shall also be liable to fine."] This Court contrasted that expression with the words "not less than" occurring in clause (i) to proviso (a) of Section 167(2) Cr.P.C. Juxtaposing the two expressions, this Court concluded that the words "not less than" in clause (i) would mean that the imprisonment should be 10 years or more and would cover only those offences for which punishment of imprisonment could be for a clear period of 10 years or more. It was held in para 6 of the Report: (SCC p. 36)
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> > "6. From the relevant part of the aforesaid sections, it is apparent that pending investigation relating to an offence punishable with imprisonment for a term "not less than 10 years", the Magistrate is empowered to authorise the detention of the accused in custody for not more than 90 days. For rest of the offences, the period prescribed is 60 days. Hence in cases where offence is punishable with imprisonment for 10 years or more, the accused could be detained up to a period of 90 days. In this context, the expression "not less than" would mean imprisonment should be 10 years or more and would cover only those offences for which punishment could be imprisonment for a clear period of 10 years or more. Under

> Section 386 punishment provided is imprisonment of either description for a term which may extend to 10 years and also fine. That means, imprisonment can be for a clear period of 10 years or less. Hence, it could not be said that minimum sentence would be 10 years or more. Further, in context also if we consider clause (i) of proviso (a) to Section 167(2), it would be applicable in case where investigation relates to an offence punishable (1) with death; (2) imprisonment for life; and (3) imprisonment for a term of not less than ten years. It would not cover the offence for which punishment could be imprisonment for less than 10 years. Under Section 386 IPC, imprisonment can vary from minimum to maximum of 10 years and it cannot be said that imprisonment prescribed is not less than 10 years."

This decision certainly supports the contention of the learned counsel and there is also a feeling of déjà vu in the use of the words "or more" in the decision, those words having been used in the Notes on Clauses when CrPC was sought to be amended in 1978.

84.2. Section 167(2)(a)(i) of the Code is applicable only in cases where the accused is charged with (a) offences punishable with death and any lower sentence; (b) offences punishable with life imprisonment and any lower sentence; and (c) offences punishable with minimum sentence of 10 years.

84.3. In all cases where the minimum sentence is less than 10 years but the maximum sentence is not death or life imprisonment then Section 167(2)(a)(ii) will apply and the accused will be entitled to grant of "default bail" after 60 days in case charge-sheet is not filed.

11.2.1 In V.Madhavi[2], the case pertains to quashing of proceedings in C.C.No.4 of 2023 for the offences under Section 420 r/w Section 34 of IPC and Section 5 of TPDFEA. It is observed in

the order that ' Chit Fund Company through which the alleged transactions were carried out under the management and supervision of A1 to A3 has not been arrayed as an accused in the charge sheet. Basing on which proceedings in C.C. was quashed.

11.2.2 The above said decision is not applicable to the case on hand in view of the fact that the present petition is for grant of bail.

11.3 In M.Anil Kumar[3] this Court observed at paragraph No.10, which reads as under:

> 10. Though the names of all the accused are mentioned in the complaint, there are no specific details including date, time, place or manner of commission of the alleged occurrence. It is only stated in the remand report that accused Nos.1 to 5 have harassed the deceased to bring the balance dowry amount.

12. Petitioners - A1 to A4 have remanded to judicial custody on 21.08.2026, the Supreme Court in Rakesh Kumar Paul[1] observed that in all cases where the minimum sentence is less than ten years but the maximum sentence is not death or life imprisonment then Section 167(2)(a)(ii) will apply and the accused will be entitled to grant of default bail after 60 days in case charge sheet is not filed.

13. Petitioners – A1 to A4 have filed Crl.M.P.No.682 of 2026 under Section 94 of BNSS to direct the SHO to preserve and furnish certified copy of CCTV footages of the police station premises on 21.08.2026 for the period from 12.00 a.m to 01.00 a.m. The said petition came to be allowed by the learned District Court in part directing the SHO to preserve the CCTV footages on the above said date and time.

14. As on 20.10.2026, 60 days period is already over and the punishment under Section 5 of TPDFEA may extend to 10 years.

15. Learned senior counsel for the petitioners – A1 to A4 on instructions submits that petitioners were granted station bail in Crime No.135 of 2026 of P.S.Gachibowli and Crime No.38 of 2025 of EOW PS Cyberabad.

16. Record goes to show that respondent has already examined LW1 to LW10, it appears that major portion of the investigation is completed furthermore petitioners- A1 to A4 are in judicial custody for more than 60 days, petitioners – A1 to A4 are entitled to be enlarged on bail on following conditions:

i. The petitioners – A1 to A4 shall execute a personal bond for a sum of Rs.50,000/- (Rupees Fifty Thousand only) each with two sureties for a like sum

each to the satisfaction of the learned Principal District and Sessions Judge, Sangareddy.

ii. The petitioners – A1 to A4 shall appear before the concerned SHO in between 10 a.m. to 5 p.m., on every Sunday for a period of eight [08] weeks or till filing of charge sheet whichever is earlier, for the purpose of investigation and thereafter as and when required.

iii. The petitioners – A1 to A4 shall surrender their passport before the learned Trial Court and shall not commit similar offences.

iv. The petitioners – A1 to A4 shall not leave Hyderabad without the leave of the learned Trial Court.

v. The petitioners – A1 to A4 shall abide by the conditions stipulated in Section 437(3) of Cr.P.C. (presently, Section 480(3) of the BNSS).

vi. The petitioners – A1 to A4 shall not directly or indirectly influence, threaten, or induce any of the prosecution witnesses.

vii. In the event of violation of any of the above conditions, the prosecution is at liberty to file an application for cancellation of bail.

17. Accordingly, Crl.P.No.17307 of 2026 is allowed.

Miscellaneous petition/s, if any, pending shall stand closed.

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B.R.MADHUSUDHAN RAO, J

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