

IN THE HIGH COURT FOR THE STATE OF TELANGANA

AT HYDERABAD

THE HONOURABLE SMT JUSTICE K. SUJANA

CRIMINAL PETITION No.2550 of 2026

10.03.2026

Between:

P.Kiran Kumar.

PETITIONER

AND

The State of Telangana,
Rep by Public Prosecutor,
High Court for the State of
Telangana, at Hyderabad.

RESPONDENT

ORDER

This Criminal Petition is filed before this Court for grant of pre-arrest bail to the petitioner who is arrayed as accused No.1 in Crime No.718 of 2025 before the Karimnagar I Town Police Station, Karimnagar, registered for the offence punishable under Sections 318(4) and 316(2) of BNS.

2. The brief facts of the case are that prior to 13.12.2025, the complainant Sri G.V. Srinivas, Area Manager, lodged a

report alleging that Accused No.1 P. Kiran Kumar, Branch Manager later promoted as Area Manager, along with A-2 Gandla Mahesh, A-3 Parashuramulu K, and A-4 Sampath Kumar, while acting in a fiduciary capacity, dishonestly misappropriated company and customer funds relating to loan foreclosure amounts, EMI payments, loan disbursements, and vehicle sale proceeds. It was alleged that false records were prepared, certain loans were misappropriated even without being availed, and a total of Rs.22,64,843/- was diverted, thereby causing wrongful loss to M/s ITI Finance Limited and its customers.

3. Heard Sri Mahesh Kosgi, learned counsel for petitioner, and Sri Ramachandra Reddy, learned Additional Public Prosecutor appearing on behalf of the respondent - State.

4. Learned counsel for the petitioner submitted that petitioner has been falsely implicated with mala fide intention, and the allegations do not attract the ingredients of Sections 316(2) and 318(4) BNS. He contended that the offences alleged are below seven years, the evidence is computerized, and custodial interrogation is not necessary. He averred that the

dispute is essentially contractual and civil in nature, arising out of accounting discrepancies and reconciliation issues, but the complainant has hurriedly set the criminal law in motion without departmental enquiry or audit. He lamented that no dishonest inducement or criminal intention at inception is attributed to the petitioner, and mere allegation of misappropriation without proof of entrustment does not constitute the offences alleged. Therefore, he prayed the Court to grant pre-arrest bail to the petitioner by allowing this Criminal Petition.

5. Learned Additional Public Prosecutor vehemently opposed the submissions made by learned counsel for petitioners, and contended that the allegations disclose misappropriation of substantial amounts collected from customers, supported by written complaints from affected customers. He further contended that the offences involve breach of trust and cheating, and custodial interrogation may be necessary to ascertain the extent of diversion of funds and the role of each accused. Therefore, he prayed the Court to dismiss the criminal petition.

6. Having regard to the rival submissions and material on record, it is noted that the allegations primarily relate to accounting discrepancies and diversion of funds within the company's own systems, which are matters of record and can be verified through documentary evidence. The FIR itself shows involvement of multiple employees, and no specific overt act or entrustment is attributed to the petitioner. Therefore, considering the circumstances of the case in entirety, this Court deems it fit to grant pre-arrest bail to the petitioner subject to the following conditions:

- i. The petitioner shall surrender before the Station House Officer, Karimnagar I Town Police Station, Karimnagar, within two weeks from today, and on such surrender, the said Station House Officer shall release him on bail on executing a personal bond for Rs.25,000/-, with two sureties, for the like sum each.
- ii. The petitioner shall abide by the other conditions stipulated in Section 482(2) of Bharatiya Nagarik Suraksha Sanhita,

2023 and co-operate with the Investigating Officer in investigating the case.

- iii. The petitioner shall appear before the concerned Investigating Officer on every Monday between 09:00 a.m, and 05:00 p.m., for a period of eight weeks or till the filing of the charge sheet, whichever is earlier, and thereafter, as and when required.

7. Accordingly, this Criminal Petition is allowed.

Miscellaneous applications, if any pending, shall stand closed.

K. SUJANA, J

Date: 10.03.2026
PT

THE HONOURABLE SMT JUSTICE K. SUJANA

CRIMINAL PETITION No.2550 of 2026

Date: 10.03.2026
PT