IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD
THE HONOURABLE SMT. JUSTICE K. SUJANA

CRIMINAL PETITION No.4160 OF 2026

DATE: 09.04.2026

BETWEEN:
Shaik Arshad Mohammad
S/o Late Abdul Rahaman ... Petitioner/
Accused No.3

And

The State of Telangana,
represented by its Public Prosecutor
High Court for the State of Telangana
Hyderabad, PS CCS, DD Hyderabad. ... Respondent

O R D E R

This Criminal Petition is filed under Section 482 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (for short 'BNSS') for grant of pre-arrest bail to the petitioner, who is arrayed as accused No.3 in Crime No.43 of 2026 on the file of Central Crime Station, Hyderabad, registered for the offences punishable under Sections 316 (5), 318(4), 336(3), 340(2) read with 61 (2) of the BNS.

2. Heard Sri Salvaji Raja Shekar Rao, learned counsel for the petitioner-accused No.3 and Sri M.Ramachandra Reddy, learned Additional Public Prosecutor appearing for the respondent-State.

3. On 28.02.2026, the CCS DD, Hyderabad, registered a case against the petitioner and others in

connection with the aforesaid crime. The allegations against the petitioner are that he misused his official position by demanding and accepting illegal gratification from customers, Direct Sourcing Agents (DSAs), and other intermediaries in consideration for processing and sanctioning loan applications. It is further alleged that the petitioner was involved in illegal EMI funding practices by arranging market-based funds through local financiers in order to prevent loan accounts from being classified as Non-Performing Assets (NPAs). These funds were allegedly routed through the bank accounts of the petitioner's brother and brother-in-law before being credited to the respective borrower accounts, with the intention of concealing the true source and nature of the transactions. As a result of these acts, a wrongful loss to the extent of approximately ₹59.94 crores is stated to have been caused to the bank. Hence, the complainant requested the police to take necessary action against the petitioner.

4. The learned counsel for the petitioner/Accused No. 3 submits that the present criminal case is nothing but a counterblast initiated by the de facto complainant,

subsequent to the petitioner filing a civil suit. It is contended that the petitioner was terminated from service without issuance of any notice and without settlement of dues. Aggrieved by the same, the petitioner initiated civil proceedings, and in retaliation, the de facto complainant approached the police and lodged a false complaint against him. It is further submitted that none of the allegations made in the complaint attract the ingredients of the offences alleged against the petitioner, and that the police, without proper verification, have mechanically registered the case. The learned counsel also submits that the petitioner had an exemplary service record, having received promotions, an “Outstanding” rating of 5, and recognition in the form of a Pan-India “Extra Miler Award,” which clearly demonstrates his professional competence and integrity. Despite being aware of these facts, the complainant has maliciously instituted the present proceedings after the petitioner resigned from the company. In support of his contentions, the learned counsel places reliance on the judgment of the Hon’ble Supreme Court in ***Ashish Dave v. State of Rajasthan & Another*** **[SLP**

(Crl.) No. 19369 of 2025], and prays that this Court may be pleased to grant anticipatory bail to the petitioner.

5. On the other hand, learned Additional Public Prosecutor opposed the same and submits that the petitioner is not entitled for bail as there are serious allegations against him. He involved 59.94 crores of rupees of the bank money. Therefore, the custodial interrogation of the petitioner is required in this case and hence, petitioner is not entitled for grant of bail and hence, he prays to dismiss the bail.

6. Considering the submissions made by the learned counsel for both parties and upon perusal of the material available on record, it appears that the petitioner had sanctioned loans to the borrowers with the intention of ensuring repayment to the bank so as to avoid classification as Non-Performing Assets (NPA). However, there is no material placed on record by the complainant to demonstrate how many accounts were classified as NPAs, the details of the collateral securities involved, their actual value, or the amounts sanctioned by the petitioner along with the other accused. Furthermore, the petitioner has already instituted a civil suit and has sought adjudication

of the dispute against the complainant. In view of the above circumstances, this Court is inclined to grant bail to the petitioner/Accused No. 3, subject to the following conditions:

(i) The petitioner-accused No.3 shall surrender before the Central Crime Station, Hyderabad, within two (2) weeks from today, and on such surrender, the petitioner shall be released on bail on executing a personal bond for a sum of Rs.25,000/- (Rupees Twenty Five Thousand only) with two sureties for a like sum each.

(ii) On such release, the petitioner – accused No.3 shall appear before the concerned Investigating Officer on every Wednesday between 09:00 a.m, and 05:00 p.m., for a period of eight (8) weeks or till filing of the charge sheet, whichever is earlier, and thereafter, as and when required.

(iii) The petitioner-accused No.3 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.

7. Accordingly, the Criminal Petition is allowed.

Miscellaneous applications, if any pending, shall stand closed.

K. SUJANA, J

Date: 09.04.2026

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