IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

THE HON'BLE JUSTICE B.R.MADHUSUDHAN RAO

CRIMINAL PETITION No.15534 of 2026

(CNR No.HBHC010652942026)

DATED: 5th OCTOBER, 2026

Between:

Kondapalli Ganesh

... Petitioner-Accused

And

The State of Telangana

... Respondent

ORDER

1. This Criminal Petition is filed under Sections 480 and 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (BNSS) praying this Court to enlarge the petitioner on bail who is arrayed as accused in connection with Crime No.86 of 2026 of P.S. Economic Wing at Cyberabad. The offences alleged against the petitioner-accused are punishable under 316(2), 318(4) of the Bharatiya Nyaya Sanhita Act, 2023 (for short 'BNS') and Section 5 of the Telangana State Protection of Depositors of Financial Establishments Act, 1999 (for short 'TSPDFE Act').

2. Heard Smt. Rachana Reddy, learned Senior Counsel for the petitioner-accused and Sri D.Arun Kumar, learned Additional Public Prosecutor for respondent - State.

3. Learned Senior Counsel for the petitioner submits that prosecution has not explained the delay, surrounding circumstances and conduct attributed in the complaint in a satisfactory manner and the same are matters requiring detailed appreciation during trial. Allegations made in the complaint are false, exaggerated and essentially arise out of a financial/commercial transaction which has been given a criminal colour with an intention to pressurize the petitioner. Ingredients of Section 316(2) of the BNS are not *prima facie* attracted and the foundation of the allegation under Section 318(4) of the BNS is also not established. Invocation of Section 5 of the TSPDFE Act is seriously disputed, the prosecution has mechanically invoked the provisions of the Special Act without establishing the precise statutory ingredients and without demonstrating the specific role attributable to the petitioner- accused. Section 5 of the TSPDFE Act was added on 13.08.2026 after 10 days of lodging the complaint. Petitioner-accused was arrested and remanded to judicial custody on 14.08.2026, since then he is in jail. Petitioner-accused is taken for police custody from 21.08.2026 at 10.00

A.M. to 23.08.2026 at 5.00 P.M. Petitioner-accused has filed I.P.No.10 of 2026 in April 2026 before the learned Principal Senior Civil Judge, Khammam, disclosing liabilities of about Rs.33.05 Crores to about 95 creditors, including the complainant. In fact, petitioner-accused has given a written complaint on 09.08.2026 to the Chief Secretary, Telangana, the Director General of Police, the Superintendent of Police, Bhadradri, Kothagudem, and the Prohibition and Excise Authorities alleging extortion in relation to his licensed liquor business. Thereafter, four crimes came to be registered against him. Petitioner-accused is suffering with severe health issues and no recovery whatsoever remains pending, the investigating agency has already secured the presence of the petitioner-accused, bail is a rule and jail is an exception. Counsel in support of her contention has relied on the decisions in the cases of (1) Delhi Race Club (1940) Ltd., and Others Vs. State of Uttar Pradesh and Another[1] (2) Arshad Neyaz Khan Vs. State of Jharkhand and Another[2] (3) Md.KaleemullahMoosa and Another Vs. The State of Andhra Pradesh[3] and prayed to grant bail to the petitioner-accused.

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[1] 2024 INSC 626
[2] 2025 LiveLaw (SC) 950
[3] Criminal Petition No.259 of 2023 of the High Court for the State of Andhra Pradesh at Amaravati.
dated 03.02.2023

4. Respondent has filed counter and contended that the complainant has invested altogether Rs.31 Lakhs and an agreement came to be executed between the complainant and the accused on 10.12.2025. There are other victims who have invested an amount of Rs.3,45,95,080/- in the accused purported business relating to Real Estate and Wine shop. LW's.1 to 7 are examined and petitioner-accused is involved in six other crimes and prayed to dismiss the petition.

5. Sylvia Srinivas Reddy has lodged a report before EOW Cyberabad on 03.08.2026. It is stated in the complaint that accused has contacted her husband after the Laddu auction held at My Home Bhooja in September, 2025. Accused has also visited her house and persuaded her to invest money in his business venture by assuring lucrative returns at the rate of 6% per month, payable quarterly. She has invested an amount of Rs.31 Lakhs. Several persons have also invested an amount of Rs.3,45,95,080/- in the accused purported business relating to Real Estate and Wine shop. Basing on the said complaint, FIR came to be registered.

6. Petitioner-accused was arrested and remanded to judicial custody on 14.08.2026, since then he is in jail. Initially, FIR is registered for the offences under Sections

318(4), 316(2) of the BNS. Section 5 of the BNS is added on 13.08.2026 to the existing sections. Remand case diary goes to show that LW's.1 to 6 in total have deposited an amount of Rs.3,45,95,080/- towards investment/deposits in the wine shop and real estate business of the petitioner-accused.

7. Petitioner-accused has filed Crl.M.P.No.1348 of 2026 before the learned I Additional Sessions Judge for grant of regular bail, the same came to be dismissed *vide* order dated 31.08.2026. Petitioner-accused has also filed another bail application before the I Additional Sessions Judge *vide* Crl.M.P.No.1429 of 2026 which also came to be dismissed on 11.09.2026 taking into consideration the seriousness of the offence.

8. Petitioner-accused has filed IP.No.10 of 2026 in the month of April, 2026 before the learned Senior Civil Judge, Khammam disclosing his liabilities of Rs.33.05 Crores and the creditors are 95 in number. Complainant is shown at Serial No.56 of the creditors list and the amount shown therein is Rs.31 Lakhs.

9. Police has taken the petitioner-accused for police custody from 21.08.2026 to 23.08.2026. However, custodial interrogation was completed on 22.08.2026 itself and

produced the petitioner-accused before the concerned Court for judicial remand. Though the police has taken the police custody of the petitioner-accused for 3 days, they have surrendered him on 22.08.2026 one day in advance.

10. In so far as the crime numbers mentioned by the respondent in the counter, all the crimes came to be registered after registering the present crime. Learned Senior Counsel for the respondent submits that in all the 6 cases, police were directed to follow Arnesh Kumar Vs. State of Bihar, (2014) 8 SCC 273.

11.1. In **Delhi Race Club**[1], the point fell for consideration before the Supreme Court is that the High Court rejected and declined to quash and set aside the summoning order dated 28.02.2023 for the offences punishable under Sections 406, 420 and 120B of the IPC respectively.

11.2. In **Arshad Neyaz Khan**[2] the Supreme Court dealt with quashing the proceedings arising out of Complaint Case No.619 of 2021 for the offences under Sections 406, 420 and 120B of the IPC.

11.3. **Md. KaleemullahMoosa**[3] case is relating to an anticipatory bail to the accused Nos.2 and 3 therein in Crime

No.291 of 2020 for the offences punishable under Sections 420, 406 r/w 34 of IPC and Section 5 of the APPDFE Act.

12. Learned Senior Counsel has drawn the attention of this Court to Section 2(b)(c) of APPDFE Act, further submits that Sections 316 and 318 of the BNS cannot go together.

13. Remand Case Diary goes to show that petitioner-accused has executed a partnership agreement in favour of LW.1 on 10.12.2025, in favour of LW.2 on 07.11.2025 and loan agreement in favour of LW.3 on 19.05.2025 for Rs.20 Lakhs and Rs.10 Lakhs each and loan agreement dated 19.05.2025 in favour of LW.4 for an amount of Rs.40 Lakhs and LWs.5 and 6 have also submitted loan agreements dated 05.06.2024 and 18.11.2024. Petitioner-accused has filed wine shop licenses which stand in his name and in the name of third parties.

14. The I.P. filed by the petitioner-accused shows that there are 95 creditors for a total sum of Rs.33.05 Crores. Investigation is in respect of documentary evidence which is already collected by the respondent. Furthermore, the police custody of the petitioner-accused is also completed for a period of two days. Since investigation is at fag end, detaining

the petitioner-accused further in judicial custody will not serve the purpose.

15. The decisions cited by the learned Senior Counsel at Para Nos.11.1 to 11.3 are distinguishable from the facts of the present case. Hence they are not applicable.

16. Though petitioner counsel has filed medical records to show that petitioner-accused is suffering with health issues, this Court is not looking into the same at this juncture as investigation is at fag end.

17. In the result, petition is allowed subject to the following conditions:

i. The petitioner-accused shall execute a personal bond for a sum of Rs.50,000/- (Rupees Fifty Thousand only), with two sureties for a like sum each to the satisfaction of the learned I Addl. District and Sessions Judge, Ranga Reddy at L.B.Nagar.

ii. The petitioner-accused shall appear before the concerned SHO in between 10:00 a.m. and 5:00 p.m., on every Sunday, Tuesday and Thursday for a period of eight (8) weeks or till filing of charge sheet whichever is earlier, for the

purpose of investigation and thereafter, as and when required.

iii. The petitioner-accused shall abide by the conditions stipulated in Section 437(3) of Cr.P.C. (presently, Section 480(3) of the BNSS).

iv. The petitioner-accused shall not directly or indirectly influence, threaten, or induce any of the prosecution witnesses.

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

Miscellaneous applications, if any pending, shall stand closed.

B.R.MADHUSUDHAN RAO, J

5th October, 2026
PLV

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