

IN THE HIGH COURT FOR THE STATE OF TELANGANA

AT HYDERABAD

THE HONOURABLE SMT JUSTICE K. SUJANA

CRIMINAL PETITION No.16298 of 2025

22nd DAY OF DECEMBER 2025

Between:

Patlawath Badru.

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 FIR.No.404 of 2025 before the Mahabubnagar II Town Police Station, Mahabubnagar District, registered for the offences punishable under Sections 406, 409 and 420 r/w 34 of IPC.

2. The prosecution case is that on 03.12.2025, Smt. D. Radhika, Chief Manager of State Bank of India, ADB, Mahabubnagar District, Telangana lodged a report before II Town Police Station, Mahabubnagar alleging that the petitioner/accused No.1 Mr. Patlawath Badru, former Chief Manager, and accused No.2 Mr. B.V. Vasantha Raidu, former Deputy Manager of SBI ADB Mahabubnagar Branch, committed financial fraud between November 2019 and January 2022, causing a loss of Rs. 29.66 lakhs to the bank. It was alleged that during the internal audit conducted on 16.02.2022, irregularities were detected, including fraudulent closure of KCC loan accounts under the Government of Telangana Debt Waiver Scheme, diversion of subsidy reserve funds under the DAY-NRLM scheme, and misappropriation of interest subsidy amounts relating to SHG accounts. Despite detection in February 2022, the complaint was lodged only on 03.12.2025, resulting in a delay of nearly 3 years and 10 months. Based on the said complaint, FIR No.404/2025 was registered under Sections 406, 409, 420 IPC r/w 34 IPC (corresponding provisions of BNS, 2023).

3. Heard Sri J.Venudhar Reddy, learned counsel for petitioner, and Sri D. Arun Kumar, learned Additional Public Prosecutor appearing on behalf of the respondent - State.

4. Learned counsel for the petitioner submitted that subsequent to detection of alleged irregularities, the bank initiated disciplinary proceedings under Rule 68(1)(i) of SBI Officers Service Rules, 1992. Three charges were framed, of which Charge Nos.1 and 2 (misuse of Debt Waiver funds and unauthorized cancellation of Bankers Cheques) were held "NOT PROVED" by the Enquiry Authority, while Charge No.3 (violation of KCC guidelines and NPA Management Policy) was held "PARTLY PROVED." The petitioner was imposed with the penalty of reduction in pay scale for the said procedural lapse. His appeal was dismissed by the Appellate Authority on 27.12.2024, thereby confirming the penalty. It was contended that since the departmental enquiry exonerated the petitioner of the core allegations of fraud, the subsequent criminal prosecution on the same allegations amounts to abuse of

process. He further submitted that the petitioner retired in February 2025 after 40 years of unblemished service, with no prior disciplinary or criminal antecedents, and the belated FIR lodged nearly four years after audit detection is mala fide and unsustainable. Therefore, he prayed the Court to grant pre-arrest bail to the petitioner by allowing this Criminal Petition.

5. Learned Additional Public Prosecutor opposed the bail petition contending that serious allegations of financial fraud involving public funds are made against the petitioner, and custodial interrogation may be necessary to unearth the larger conspiracy and involvement of other persons. He contended that departmental findings do not bar criminal prosecution, and the delay in lodging the complaint cannot by itself be a ground to quash the proceedings. 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 petitioner has already faced

departmental enquiry, wherein two charges were held “NOT PROVED” and one charge was held “PARTLY PROVED,” for which the penalty of reduction in pay scale was imposed. The petitioner has since retired from service in February 2025. The investigation is primarily documentary in nature, and custodial arrest is not warranted, therefore, 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, Mahabubnagar II Town Police Station, Mahabubnagar District, 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: 22.12.2025
PT

THE HONOURABLE SMT JUSTICE K. SUJANA

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PT