



**IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI
(Special Original Jurisdiction)**

[3521]

WEDNESDAY, THE TWENTY SECOND DAY OF APRIL
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE DR JUSTICE Y. LAKSHMANA RAO

CRIMINAL PETITION Nos.5280 & 5284 OF 2024

Crl.P.No:5280/2024

Between:

1.B.AYYAVARAIAH, S/O. B.ANKKANNA, AGED ABOUT 52 YEARS,
OCC JUNIOR ASSISTANT IN JUDICIAL DEPT, R/O. D.NO.39/449-15,
OMSHANTHI NAGAR, KADAPA CITY, YSR (KADAPA) DISTRICT

...PETITIONER/ACCUSED

AND

1.THE STATE OF ANDHRA PRADESH, REP. BY PUBLIC
PROSECUTOR, HIGH COURT OF ANDHRA PRADESH AT
AMARAVATI

2.A RAJA PARAMESWARA RAO, S/O. A. VENKATAIAH, AGED ABOUT
33 YEARS, OCC BUSINESS, R/O. D.NO.3/567, AKKAYAPALLI,
KADAPA CITY, YSR (KADAPA) DISTRICT

...RESPONDENT/COMPLAINANT(S):

Counsel for the Petitioner/accused:

1.SHAIK MOHAMMED ISMAIL

Counsel for the Respondent/complainant(S):

1.PUBLIC PROSECUTOR

Crl.P.No: 5284/2024

Between:

- 1.B.AYYAVARAIAH, S/O. B.ANKKANNA, AGED ABOUT 52 YEARS,
OCC JUNIOR ASSISTANT IN JUDICIAL DEPT, R/O. D.NO.39/449-15,
OMSHANTHI NAGAR KADAPA CITY, YSR (KADAPA) DISTRICT

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33 YEARS, OCC BUSINESS, R/O. D.NO.3/567, AKKAYAPALLI,
KADAPA CITY, YSR (KADAPA) DISTRICT

...RESPONDENT/COMPLAINANT(S):

Counsel for the Petitioner/accused:

- 1.SHAIK MOHAMMED ISMAIL

Counsel for the Respondent/complainant(S):

- 1.PUBLIC PROSECUTOR

The Court made the following:

COMMON ORDER:

Criminal Petition Nos. 5280 and 5284 of 2024 are heard together and disposed of by this common order, as the Petitioner/Accused and the Respondent/De-facto complainant are one and the same in both cases, though the STC numbers are different.

2. Criminal Petition No.5280 of 2024 has been filed under Section 482 of the Code of Criminal Procedure, 1973 (for brevity 'the Cr.P.C.,')/Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (for brevity 'the BNSS') by the Petitioner/Accused seeking quashment of the proceedings in S.T.C.No.57 of

2024 on the file of the learned I Additional Judicial Magistrate of First Class, Kadapa (for brevity, 'the learned Trial Court').

3. Criminal Petition No.5284 of 2024 has been filed under Section 482 of 'the Cr.P.C.,'/Section 528 of 'the BNSS' by the Petitioner/Accused seeking quashment of the proceedings in S.T.C.No.58 of 2024 on the file of 'the learned Trial Court'.

4. Notice on Respondent No.2 through substituted service was ordered and has been duly carried out. There is no representation for Respondent No.2. Hence, if a learned legal aid counsel is appointed to argue the case on behalf of Respondent No.2, for the ends of justice as no prejudice is caused to Respondent No.2. Hence, Ms.Aishwarya Nagula, learned counsel, is appointed as learned legal aid counsel for Respondent No.2 in this case. The Secretary, High Court Legal Services Committee, is directed to issue necessary proceedings in this regard.

5. Mr. Shaik Mohammed Ismail, learned counsel for the Petitioner, submits that the disputed cheques dated 20.11.2023 were allegedly issued by the Petitioner/Accused to Respondent No.2, i.e., Cheque No.410742 dated 20.11.2023 in S.T.C.No.57 of 2024 for an amount of Rs.50,000/- and Cheque No.410734 dated 20.11.2023 in S.T.C.No.58 of 2024 for an amount of Rs.1,80,000/-. Both the cheques belonged to the State Bank of Hyderabad (SBH). It is submitted that, as per the RBI circular, the State Bank of Hyderabad was amalgamated with the State Bank of India (SBI) with effect from 01.04.2017, and the State Bank of Hyderabad cheques became invalid

from 01.07.2018. Respondent No.2 retained the cheques without any legal basis, presented them to his banker, got them dishonoured, and thereafter filed private complaints under Section 138 read with Section 142 of the Negotiable Instruments Act, 1881 (for brevity, 'the N.I.Act'), with an intention to defraud and harass the Petitioner.

6. Ms. P. Akhila Naidu, learned Assistant Public Prosecutor, submits that both cheques are invalid with effect from 01.07.2018, as the State Bank of Hyderabad was amalgamated with the State Bank of India on 01.04.2017. Therefore, appropriate orders may be passed.

7. Ms. Aishwarya Nagula, learned legal aid counsel for Respondent No.2, reiterates the arguments of the learned Assistant Public Prosecutor and submits that both the cheques in question is invalid. She urges the Court to pass appropriate orders.

8. Heard learned counsel for Petitioner, learned Assistant Public Prosecutor and learned legal aid counsel for Respondent No.2. Perused the record.

9. Thoughtful consideration is bestowed on the arguments advanced by the learned Counsel for both sides. I have perused the entire record.

10. In the light of the case of the prosecution and the contentions of the learned Counsel for both the sides, now the point for consideration is:

"Whether the proceedings in S.T.C.Nos.57 & 58 of 2024 on the file of the learned I Additional Magistrate of First Class, Kadapa are liable to be quashed in exercise of the inherent powers of the High Court under Section 482 of 'the Cr.P.C.,/Section 528 of 'the BNSS'?"

11. On careful perusal of the record, the Petitioner submitted an application under the Right to Information Act, 2005 to the Head, Regional Business Office, Kadapa Branch. The State Bank of India, vide letter dated 26.06.2024 issued by the General Manager, Network-III, confirmed that the State Bank of Hyderabad was merged into the State Bank of India on 01.04.2017. Further, RTC Bus Stand Branch, Kadapa (Branch Code: 20948, IFSC Code:SBHY0020948), became invalid from 01.07.2018 onwards. The disputed cheques, i.e., Cheque No.410742 dated 20.11.2023 in S.T.C.No.57 of 2024 for Rs.50,000/- and Cheque No.410734 dated 20.11.2023 in S.T.C.No.58 of 2024 for Rs.1,80,000/-, were not presented before 01.07.2018 and, therefore, ceased to be valid due to the change of MICR code of the branch.

12. The disputed cheques could not have been issued by the Petitioner on 20.11.2023, as cheques of the State Bank of Hyderabad were valid only up to 01.07.2018, following the amalgamation of the State Bank of Hyderabad with the State Bank of India on 01.04.2017. It is thus evident that the cheques were invalid and could not form the basis of prosecution under Section 138 of 'the N.I Act'. The proceedings in S.T.C.Nos.57 and 58 of 2024 before 'the learned Trial Court' are a classic example of abuse of process of law.

13. This Court in **Nandhigam Koteswararao v. State of A.P.**,¹ while referring to several judgments of this Court and other High Courts, held that cheques issued by the State Bank of Hyderabad after 01.07.2018 are invalid,

¹Crl.P.No.9345 of 2025, dated 16.03.2026

and proceedings based thereon were quashed. The case of the present Petitioner stands on similar footing.

14. A learned Single Judge of this Court, in **Ganta Kavitha Devi v. Madala Ananth Kumar**², had, in analogous circumstances, quashed proceedings initiated under Section 138 of the Negotiable Instruments Act, 1881 (for brevity 'the N.I Act'), by relying on the two decision of the High Courts of Delhi and Allahabad rendered in **Premchand Prusty v. Sita Devi**³ and **Archana Singh Gautham v. State of U.P.**⁴.

15. The High Court of Allahabad in **Archana Singh Gautham supra** at para Nos.7 to 9 and 12, it is held as under:

"7...From the perusal of Section 138 N.I. Act, it is clear that if any invalid cheque is presented before the Bank and the same was dishonoured, then there is no liability under Section 138 N.I. Act would be attracted, and the cheque of Allahabad Bank is invalid after 30.09.2021 after merging the Allahabad Bank into the Indian Bank on 01.04.2020. Therefore, dishonouring such cheques, after 30.09.2021 will not attract liability u/s 138 N.I Act.

8. It is also relevant to mention here that as per Section 118 N.I. Act a cheque shall be deemed to be drawri on the date which is mentioned in the cheque even if same may post dated.

9. In the present case, a cheque dated 02.06.2023 of erstwhile Allahabad Bank was presented to the Indian Bank on 21.08.2023, and the same was returned on 25.08.2023 with the endorsement "wrongly delivered not drawn on us". Therefore, the cheque in question was invalid on the date of presentation before the Indian Bank.

12. This Court is also of the view that the above analogy will also be applicable to the cheques of all banks which had merged with other banks."

16. Thus, in **Archana Singh Gautham supra**, it was held that when an invalid cheque is presented before the bank and dishonoured, no liability arises under Section 138 of 'the N.I. Act.,' since the cheque itself is invalid. Pursuant to the merger of the State Bank of Hyderabad with the State Bank of

²Crl.P.No.8827 of 2022, dated 25.10.2024

³2023 SCC OnLine Del 7745

⁴Application No.9536 of 2024, dated 05.06.2024

India, cheques of the erstwhile State Bank of Hyderabad ceased to be valid after 31.03.2018. Further, Section 118(b) of 'the N.I.Act.,' provides that a cheque shall be deemed to have been drawn on the date mentioned therein, even if it is post-dated.

17. On a meticulous appraisal of the record and submissions, it is manifest that the disputed cheques dated 20.11.2023, i.e., Cheque No.410742 in S.T.C.No.57 of 2024 for Rs.50,000/- and Cheque No.410734 in S.T.C.No.58 of 2024 for Rs.1,80,000/-, purportedly drawn on the erstwhile State Bank of Hyderabad, were incapable of being issued or honoured, as the said bank stood amalgamated with the State Bank of India on 01.04.2017 and its cheques ceased to be valid after 01.07.2018. The confirmation by the State Bank of India under the Right to Information Act reinforces this position. Consequently, the cheques in question were invalid *ab initio* and could not constitute the foundation for prosecution under Section 138 of 'the N.I.Act.,' Judicial precedents, including **Nandhigam Koteswararao** *supra* and **Ganta Kavitha Devi** *supra*, as well as analogous rulings of the High Courts of Delhi and Allahabad, have consistently held that proceedings based on invalid cheques are unsustainable. Therefore, the continuation of S.T.C.Nos.57 and 58 of 2024 before 'the learned Trial Court' amounts to an abuse of process of law.

18. In the result, the Criminal Petitions are allowed. The proceedings in S.T.C.Nos.57 and 58 of 2024 on the file of 'the learned Trial Court' are hereby quashed.

As a sequel, interlocutory applications, if any pending, shall stand closed.

Dr. Y. LAKSHMANA RAO, J

Dt: 22.04.2026
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THE HONOURABLE DR JUSTICE Y. LAKSHMANA RAO

CRIMINAL PETITION Nos.5280 & 5284 OF 2024

Date: 22.04.2026

PRA