

NOTE : The Petitioner/ Accused was directed to be released on bail by the order of the High Court dated 23-01-2026 in I.A.No. 2 of 2025 in CrI.R.C No. 84 of 2026.

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

**TUESDAY, THE FIFTH DAY OF MAY
TWO THOUSAND AND TWENTY SIX**

PRESENT

THE HONOURABLE SMT JUSTICE K. SUJANA

CRIMINAL REVISION CASE NO: 84 OF 2026

Criminal Revision Case filed under Section 438 r/w Section 442 of the BNSS against the Judgment dated 12.01.2026 passed in CrI.A.No. 1214 of 2024 on the file of the Court of the Additional Sessions Judge for the Trial of Jubilee Hills Car Bomb Blast Case-cum-Additional Family Court-cum-XXIII Additional Chief Judge-cum-IX Additional Sessions Judge, Hyderabad preferred against the judgment dated 05.06.2024 passed in C.C.NI.No. 3483 of 2022 on the file of the Court of the VI Metropolitan Magistrate, Hyderabad.

Between:

1. Sri Sai Educational Society, Reptd. by its Secretary Budde Kantha Rao, S/o. Narayana, Aged about 53 years, C/o. Gandhi Educational Engineering College, Ramapuram, Chilkur Mandal, Suryapet District.
2. Budde Kantha Rao, S/o. Narayana, Aged about 53 years, Occ. Secretary of Sri Sai Educational Society, O/o. H.No. 1-36/2, Ashok Nagar, Kodad, Suryapet District, R/o. H.No. 12/1/13/9/a, LIC Road, Srimannarayana Colony, Kodad, Suryapet District

...PETITIONERS/APPELLANTS/ACCUSED

AND

1. The State of Telangana, rep. by its Public Prosecutor, High Court at Hyderabad

...RESPONDENT

2. Dr. Kosa Raju Jyothi Prasad,, S/o. Late Sri Ramulu, Aged about 65 years, Occ. Business, R/o. Plot No. 854, Jubilee Hills, Hyderabad

...RESPONDENT/RESPONDENT/COMPLAINANT

I.A. NO: 7 OF 2026

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased it is therefore prayed that this Court may be pleased to extend the interim order dated 23-01-2026 in I.A.No. 2 of 2026 in CrI.R.C. No. 84 of 2026(extended on 12-02-2026 in I.A.No. 3 of 2026 in CrI RC No 84 of 2026 further extended on 24-02-2026 and on 02-03-2026 and on 05-03-2026 in I.A.No. 6 of 2026).

Counsel for the Petitioner: Sri K. Narsimha Reddy

**Counsel for the Respondent No. 1: Sri M. Ramachandra Reddy,
Additional Public Prosecutor**

Counsel for the Respondent No. 2: Ms. Naga Deepika

The Court made the following: ORDER

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

THE HONOURABLE SMT. JUSTICE K. SUJANA

CRIMINAL REVISION CASE No.84 of 2026

DATE :05.05.2026

BETWEEN:

Sri Sai Educational Society and another

.....Petitioners

And

The State of Telangana and another

.....Respondents

: ORDER :

This Criminal Revision Case is filed challenging the order dated 12.01.2026 passed in CrI.A.No.1214 of 2024 by the learned Additional Sessions Judge for the Trial of Jubilee Hills Car Bomb Blast Case-cum-Additional Family Court-cum-XXIII Additional Chief Judge-cum-IX Additional Sessions Judge, Hyderabad. CC.NI.No.3483 of 2022 on the file of VI Metropolitan

Magistrate, Hyderabad is filed by the 2nd respondent herein who is the defacto complainant.

2. The brief facts of the case are that the case of the complainant is that accused No.2, on behalf of accused No.1-Society, borrowed a sum of Rs.1,35,00,000/- in July 2018 for development of the institution and executed a promissory note acknowledging the debt. Towards discharge of the said liability, a cheque dated 08.07.2019 was issued, which on presentation was dishonoured for "insufficient funds". Despite issuance of statutory notice, the accused failed to repay the amount, leading to initiation of proceedings under Section 138 of the Negotiable Instruments Act (for short 'N.I.Act').

3. The trial Court, upon appreciation of oral and documentary evidence, held that the accused failed to rebut the statutory presumptions under Sections 118 and 139 of the N.I Act and accordingly convicted them. The appellate Court, after re-appreciation of the entire material, dismissed the appeal confirming both conviction and sentence, holding that the defence of misuse of cheque was unsubstantiated and that the complainant had proved the legally enforceable debt. The appellate Court further directed the accused to surrender within fifteen days, failing which coercive steps were to be taken.

4. The petitioners/accused, being aggrieved by the judgment dated 12.01.2026 passed in Criminal Appeal No.1214 of 2024 have preferred the present Criminal Revision Case. The said appeal arose out of the judgment dated 05.06.2024 in C.C. No.3483 of 2019 on the file of the VI Metropolitan Magistrate, Hyderabad, wherein the petitioners were convicted for the offence punishable under Section 138 of the N.I.Act and sentenced to undergo rigorous imprisonment for six months and to pay compensation of Rs.1,92,00,000/-.

5. Heard Sri K. Narsimha Reddy, learned counsel appearing on behalf of the petitioners as well as Sri M. Ramachandra Reddy, learned Additional Public Prosecutor appearing on behalf of the respondent - State and Ms. Naga Deepika, learned counsel appearing on behalf of respondent No.2.

6. Learned counsel for the petitioners submitted that the judgments of both the Courts below are illegal, perverse and contrary to settled principles governing Section 138 of the N.I.Act. He further submitted that the alleged debt arises out of a promissory note under Ex.P1 executed by accused No.2 in his individual capacity and not on behalf of accused No.1-Society, and therefore there is no legally enforceable debt against the drawer of cheque. In the absence of privity of contract,

authorization, resolution or proof of consideration to the Society; fastening criminal liability on the Society is unsustainable. He contended that the statutory presumptions under Sections 118 and 139 of the Act were mechanically invoked without establishing foundational facts, and that the complainant failed to prove existence of a legally recoverable debt. The defence of misuse of cheque and absence of liability has been probablized, thereby shifting the burden back to the complainant, which was not discharged. He further contended that the appellate Court failed to independently re-appreciate the evidence and merely affirmed the trial Court's findings, resulting in grave miscarriage of justice. Therefore, he prayed the Court to set aside the order of trial Court by allowing this Criminal Revision Case.

7. *Per contra*, learned counsel for respondent No.2 submitted that both the Courts below have rightly appreciated the oral and documentary evidence and recorded concurrent findings of fact, which do not warrant interference in revision. He further submitted that accused No.2, being the Secretary of accused No.1-Society, borrowed the amount for the benefit of Society and issued cheque towards discharge of the said liability, thereby attracting Sections 138 and 141 of the N.I.Act. The

execution of cheque and signature thereon being admitted, statutory presumptions under Sections 118 and 139 operate in favour of the complainant, and the accused failed to rebut the same by adducing any cogent evidence. The defense raised is a mere bald denial without proof, and no material is placed to show misuse of cheque or absence of liability. He contended that minor discrepancies do not affect the core of the prosecution case, and the findings of Courts below are based on proper appreciation of evidence and settled legal principles. Therefore, he prayed the Court to dismiss the Criminal Revision Case.

8. In the light of the submissions made by both the learned counsel and upon perusal of the material available on record, the first contention of learned counsel for the petitioners is that petitioner No.1 is an educational society and petitioner No.2, being its Secretary, did not borrow the amount in his individual capacity. Therefore, it is contended that he is not personally liable for the offence under Section 138 of the N.I.Act.

9. On consideration of the said contention, it is not in dispute that petitioner No.2 was the Secretary of the said society on the date of issuance of cheque under Ex.P.2. The promissory note bears the signature of accused No.2, while accused No.1 is

the educational society. The evidence on record discloses that accused No.1 approached the complainant and obtained the loan for development of the society, and the cheque under Ex.P.2 was issued towards discharge of the said liability. Section 141 of the Negotiable Instruments Act is applicable not only to companies but also to association of individuals. The educational society, being a registered entity under the Societies Registration Act, falls within the ambit of the said provision. In his capacity as Secretary, accused No.2 entered into the financial transaction. Therefore, it cannot be accepted that he is not personally liable. Further, he has not disputed his signatures either on the promissory note or on the cheque.

10. The petitioners have further contended that the transaction was entirely in cash, as admitted by PW.1, and that the same was not reflected in the income tax returns, allegedly violating Section 269SS of the Income Tax Act. However, the present case arises under Section 138 of the N.I.Act. Any violation of the provisions of the Income Tax Act does not render the debt unenforceable. At best, such non-disclosure may invite action by the concerned authorities, but it does not absolve the accused of criminal liability. This position has been consistently upheld by the Hon'ble Supreme Court in several judgments.

11. The petitioners have also pointed out inconsistencies regarding the place of transaction, stating that it was mentioned at one point as a hotel and at another as a house. Such inconsistency, in the considered view of this Court, is only peripheral and does not go to the root of the matter so as to discredit the entire evidence on record. It is further contended that there is no evidence regarding the financial capacity of the complainant. However, the testimony of PW.1 indicates that he is engaged in multiple business activities, including running educational institutions and hotel. Therefore, it cannot be said that he lacked the financial capacity to advance the loan. Further, allegation of material alteration in the promissory note with regard to the date of interest has neither been proved nor substantiated. Similarly, the contention regarding misuse of the cheque through one P. Revathi is unsupported by any evidence, and no complaint has been lodged alleging such misuse. Upon consideration of the entire evidence and material placed before this Court, no illegality or infirmity is found in the order of the trial Court and appellate Court. There are no valid grounds warranting interference by this Court and the Criminal Revision case is devoid of merit and is liable to be dismissed.

12. Accordingly, the Criminal Revision Case is dismissed. The accused are directed to surrender before the trial Court within one month from the date of receipt of copy of this order. Miscellaneous petitions, if any, pending shall stand closed.

SD/- MOHD. ISMAIL
DEPUTY REGISTRAR

//TRUE COPY//



SECTION OFFICER

To,

1. The Additional Sessions Judge for the Trial of Jubilee Hills Car Bomb Blast Case-cum-Additional Family Court-cum-XXIII Additional Chief Judge-cum-IX Additional Sessions Judge, Hyderabad
2. The VI Metropolitan Magistrate, Hyderabad.
3. Two CCs to the Public Prosecutor, High Court for the State of Telangana at Hyderabad [OUT]
4. One CC to Sri K. Narsimha Reddy, Advocate [OPUC]
5. One CC to Ms. Naga Deepika, Advocate [OPUC]
6. Two CD Copies

VH/GNK

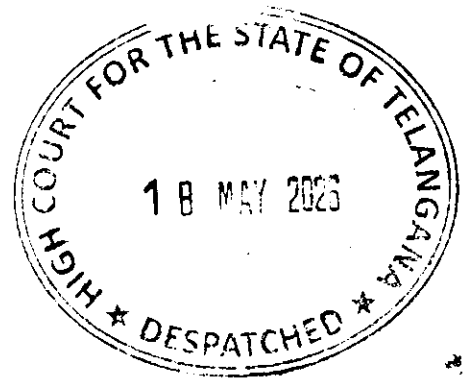


HIGH COURT

DATED: 05/05/2026

ORDER

CRLRC.No.84 of 2026



DISMISSING THE CRL.R.C.

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MT
14/5/26