

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

THURSDAY ,THE TWENTIETH DAY OF MARCH
TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HONOURABLE SMT JUSTICE JUVVADI SRIDEVI

CRIMINAL PETITION NO: 1320 OF 2022

Between:

Regatte Gopal Reddy, S/o. LaxmiNarsimha Reddy Aged about 72 years, Occ.
Retired private employee R/o. Plot No.404, Venkateshwara Apartments,
Shanthinagar, Nalgonda

...PETITIONER/ACCUSED No.6

AND

1. The State of Telangana, Rep. by its Public Prosecutor High Court for the State of Telangana At Hyderabad
2. Pujarla Shambaiah, S/o. Venkaiah Age about 70 years, Occ. Advocate R/o. Near RTC Bus Stand, Nakrekal Nalgonda District.

...RESPONDENTS/COMPLAINANTS

Petition under Section 482 of Cr.P.C praying that in the circumstances stated in the Memorandum of Grounds of Criminal Petition, the High Court may be pleased to quash the proceedings in C.C. NO. 3671/2018 on the file of the Court of the Judicial First Class Magistrate At Nakrekal, Nalgonda District registered u/s 420 of IPC against the petitioner/Accused No.6 and pass

I.A. NO: 2 OF 2022

Petition under Section 482 of Cr.P.C praying that in the circumstances stated in the Memorandum of Grounds of Criminal Petition, the High Court may be pleased to stay all further proceedings in C.C. NO. 3671/2018 on the file of the Court of the Judicial First Class Magistrate, at Nakrekal, Nalgonda District registered u/s 420 of IPC against the petitioner.

This Petition coming on for hearing, upon perusing the Memorandum of Grounds of Criminal Petition and upon hearing the arguments of Sri PRAVEEN KUMAR VEERJALA, Advocate for the Petitioners Mrs. S. Madhavi learned Assistant Public Prosecutor for the State of Telangana on behalf of the Respondent No.1

The Court made the following: ORDER

THE HON'BLE SMT. JUSTICE JUVVADI SRIDEVI

CRIMINAL PETITION No.1320 of 2022

ORDER:

This Criminal Petition is filed under Section 482 of Cr.P.C. by the petitioner-accused No.6 seeking to quash the proceedings against him in C.C.No.3671 of 2016 on the file of the learned Judicial First Class Magistrate at Nakrekal, Nalgonda District (for short 'trial Court'), pertaining to Crime No.106 of 2012 of P.S. Nakrekal. The offence alleged against the petitioner-accused No.6 is under Section 420 of the Indian Penal Code (for short 'IPC').

2. Heard Sri Praveen Kumar Veerjala, learned counsel for the petitioner and Mrs. S.Madhavi, learned Assistant Public Prosecutor appearing for the respondent-State. Perused the record.

3. The case of the prosecution, in brief, is that all the accused in the crime have induced the general public to invest huge amounts in their Chit Fund Company by name Sri Sai Venkateswara Chit Funds Private Limited and thereafter, they deceived the subscribers by not paying the promised prize amounts, as accused Nos.1 to 5 misappropriated the funds by diverting and using the money for their real estate and finance businesses. Basing on the said complaint, a case in Crime No.106 of 2012 was registered against the accused and after completion of

investigation, charge sheet was filed before the trial Court. The same was taken cognizance and numbered as C.C.No.3671 of 2016 for the aforesaid offence.

4. Learned counsel appearing for the petitioner submits that the petitioner-accused No.6 is innocent, has been falsely implicated in the case and nothing to do with the alleged offence. He further submits that the petitioner-accused No.6 is working as Verification Officer in the Chit Fund Company of accused No.1 and his role is only to verify the credentials of people who succeed in getting the chit prize amount. Apart from it, he has no cheque power, allotment power, administrative power or any sort of authority. He further submits that in fact, the petitioner-accused No.6 is the victim in the hands of accused No.1, as he did not pay salary to him for several months and also faced a lot of criticism and harassment from the people, due to misappropriation of funds and closing of the Company. There are no specific allegations against the petitioner-accused No.6 and the ingredients of the offence under Section 420 are not made out. Thus, he prayed to quash the proceedings against the petitioner.

5. On the other hand, the learned Assistant Public Prosecutor contended that there are specific allegations against the petitioner and the allegations levelled in the complaint as well as in the charge sheet

are subject matter of trial, and hence, this is not a fit case to quash the proceedings at this stage. Accordingly, she prayed to dismiss the petition.

6. As seen from the record, it is evident that the petitioner, who is arrayed as accused No.6, is working as Verification Officer in the Chit Fund Company of accused No.1. His role is only to verify the credentials of people who succeed in getting the chit prize amount. Apart from it, he has no cheque power, allotment power, administrative power or any sort of authority. To constitute the offence of cheating under Section 420 of IPC, it is settled law that there shall be dishonest or fraudulent intention on the part of the accused, from the inception. In the present case, in the entire charge sheet, no specific role is attributed to the petitioner-accused No.6. Moreover, dishonest or fraudulent intention is not found on the part of the petitioner-accused No.6. In the said circumstances, this Court is of the considered opinion that the continuation of criminal proceedings against the petitioner-accused No.6 amounts to sheer abuse of process of the law and the same are liable to be quashed.

7. Accordingly, this Criminal Petition is allowed, quashing the proceedings against the petitioner-accused No.6 in C.C.No.3671 of 2016 on the file of the learned Judicial First Class Magistrate at Nakrekal, Nalgonda District.

Pending miscellaneous applications, if any, shall stand closed.

Sd/- MOHD. ISMAIL
DEPUTY REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. The Judicial First Class Magistrate at Nakerkal, Nalgonda District.
2. The Station House Officer, Nakrekal Police Station ,Nalgonda District.
3. Two CCs to Assistant Public Prosecutor, High Court for the State of Telangana at Hyderabad (OUT)
4. One CC to SRI. PRAVEEN KUMAR VEERJALA Advocate [OPUC]
5. Two CD Copies.

VR/PSL

PSL

HIGH COURT

DATED:20/03/2025

ORDER

CRLP.No.1320 of 2022



ALLOWING THE CRIMINAL PETITION

⑧ *kps*
6/6/25