



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 19TH DAY OF DECEMBER, 2025

BEFORE

THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

CRIMINAL PETITION NO. 2841 OF 2022

C/W

CRIMINAL PETITION NO. 5389 OF 2023

IN CRL.P. NO. 2841/2022

BETWEEN:

1. SRI. PRASHANTH SAMBARGI
S/O LATE SHASHIDHAR B. SAMBARGI
AGED ABOUT 45 YEARS
R/AT FLAT NO.C-203, 2ND FLOOR
BLOCK-C, STERLING TERRACE APARTMENT
BANASHANKARI 3RD STAGE
BENGALURU-560 085.

...PETITIONER

(BY SRI. SHIVAPRASAD SHANTANAGOUDAR, ADVOCATE)

AND:

1. SRI. Y.K. DEVANATHA
S/O LATE Y.V. KRISHNAPPA
AGED ABOUT 42 YEARS
NO.15, 5TH MAIN, 5TH CROSS
7TH BLOCK, 4TH PHASE
BANASHANKARI 3RD STAGE
BENGALURU-560 085.

...RESPONDENT

(BY SRI. K.R. PROONA PRASAD, ADVOCATE)

THIS CRL.P IS FILED U/S.482 CR.P.C PRAYING TO
QUASH THE COMPLAINT DATED 29.03.2021 ORDER OF



NC: 2025:KHC:54828
CRL.P No. 2841 of 2022
C/W CRL.P No. 5389 of 2023

COGNIZANCE DATED 28.10.2021 PASSED BY THE II ADDL. CMM COURT, BENGALUR IN C.C NO. 30571/2021 AND ALL FURTHER PROCEEDINGS IN CC NO. 30571/2021 PENDING ON THE FILE OF II ADDL. CMM COURT, BENGALURU REGISTERED FOR THE OFFENCES PUNISHABLE UNDER 420, 463, 464, 467, 468 AND 474 OF IPC (ANNEXURE A AND D).

IN CRL.P. NO. 5389/2023
BETWEEN:

1. SRI. PRASHANTH SAMBARGI
S/O LATE SHASHIDHAR B. SAMBARGI
AGED ABOUT 45 YEARS
R/AT FLAT NO.C-203, 2ND FLOOR
BLOCK-C, STERLING TERRACE APARTMENT
BANASHANKARI 3RD STAGE
BENGALURU-560 085.

...PETITIONER

(BY SRI. SHIVAPRASAD SHANTANAGOUDAR, ADVOCATE)

AND:

1. STATE OF KARNATAKA
BY HALASURGATE POLICE STATION
BENGALURU
REP. BY ITS
STATE PUBLIC PROSECUTOR
HIGH COURT OF KARNATAKA
BENGALURU-560 001.
2. SRI. Y.K. DEVANATHA
S/O LATE Y.V. KRISHNAPPA
AGED ABOUT 46 YEARS
NO.15, 5TH MAIN, 5TH CROSS



NC: 2025:KHC:54828
CRL.P No. 2841 of 2022
C/W CRL.P No. 5389 of 2023

BANASHANKARI 3RD STAGE
BENGALURU-560 085.

...RESPONDENTS

(BY SMT. RASHMI JADAV, ADDL. SPP AND
MR. M.R. PATIL, HCGP FOR R1;
SMT. ROOPA M.S., ADVOCATE FOR R2)

THIS CRL.P IS FILED U/S 482 CR.PC (FILED U/S 528 BNSS) PRAYING TO QUASH THE COMPLAINT AND FIR IN CR.NO.161/2023 DATED 12.06.2023 REGISTERED BY HALASUR GATE POLICE STATION, BENGALURU AND ALL FURTHER INVESTIGATION PENDING ON THE FILE OF I ADDL.C.M.M., BENGALURU FOR THE OFFENCE P/U/S 420 OF IPC AS AGAINST THE PETITIONER (ANNEXURE-A AND B).

THESE PETITIONS COMING ON FOR DICTATING ORDERS,
THIS DAY ORDER WAS MADE THEREIN, AS UNDER:

CORAM: HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

ORAL ORDER

Crl.P.No.2841/2022 is filed seeking to quash the proceedings in C.C.No.30571/2021 arising out of PCR No.5808/2021 including the order of cognizance dated 28.10.2021 for the offence punishable under Sections 420, 463, 464, 467, 468, 474 of the Indian Penal Code. Crl.P.No.5389/2023 is filed seeking to quash the FIR in



Crime No.161/2023 registered by the Halasurgate Police Station pending on the file of the I Additional CMM Court, Bengaluru City, for the offence punishable under Section 420 of IPC.

2. The facts leading to the case are as under:

The petitioner and the respondent-Y.K.Devanatha entered into an agreement of sale dated 23.08.2017 in respect of the petitioner's residential property. According to the petitioner, after execution of the agreement, he issued a legal notice calling upon the respondent to produce the original title documents of the property. As the respondent allegedly failed to comply with the said demand, the petitioner issued a subsequent legal notice terminating the agreement of sale. Thereafter, when the respondent allegedly refused to return the balance sale consideration and is stated to have threatened the petitioner, the petitioner lodged a complaint before Subramanyapura Police Station, which came to be



registered in Crime No.127/2018. The petitioner has also instituted a civil suit for recovery of the amount paid under the agreement of sale, which is stated to be pending adjudication.

3. The respondent/complainant, on the other hand, instituted a private complaint on 29.03.2021 alleging that he had availed a hand loan of Rs.25,00,000/- in cash from the petitioner on 27.07.2017, agreeing to repay the same with interest at the rate of 3% per month, and that an amount of Rs.75,000/- was allegedly paid towards interest on the very same day. It is further alleged that, as security for the said loan, the petitioner insisted upon deposit of the original title deeds relating to the respondent's residential property bearing old Katha No.7/1, Khaneshumari No.6, assessment No.70/1, Old village panchayat Khata No.78, presently property at No.66, Municipal No.862/681/66, measuring East to West 30 feet and North to South 40 feet, situated at Simhadri Layout, Uttarahalli. According to the respondent, upon his



failure to repay the loan within one month, the petitioner refused to grant any extension of time and allegedly compelled him to sign one blank e-stamp paper and ten blank white papers, while demanding interest at an enhanced rate of 10% per month, accompanied by acts of harassment.

4. The complainant further alleges that in December 2017, he repaid a total sum of Rs.28,75,000/- in cash, in two instalments, after pledging jewels belonging to himself and his family members. Despite such alleged repayment, when he demanded return of the original documents and the blank signed papers, it is contended that the petitioner demanded an additional sum of Rs.15,00,000/-. It is alleged that the petitioner neither returned the documents nor the signed papers, but instead misused the same by fabricating an agreement of sale dated 23.08.2017. It is also alleged that the petitioner instituted a civil suit for recovery in O.S.No.6154/2018



and lodged a criminal complaint in Crime No.127/2018, which ultimately culminated in filing of a 'B' report.

5. On the basis of a private complaint filed by the complainant, the learned Magistrate took cognizance and registered C.C.No.30571/2021. The proceedings in the said case were stayed by this Court in Criminal Petition No.2841/2022. During the pendency of the said proceedings, the respondent once again approached the police with substantially identical allegations, pursuant to which Crime No.161/2023 came to be registered for the offence of cheating. It is submitted that the proceedings arising out of the said crime have also been stayed.

6. Learned counsel for the petitioner would contend that the entire dispute emanates from a monetary transaction and is predominantly civil in nature. It is submitted that the complainant himself admits the loan transaction and the execution of documents by way of security. Learned counsel would further submit that the



civil suit for recovery in O.S.No.6154/2018 is already pending between the parties and, therefore, the initiation of successive criminal proceedings is nothing but an abuse of the process of law, intended to exert pressure upon the petitioner. It is also contended that the essential ingredients of the offences of cheating and forgery are conspicuously absent, inasmuch as there are no allegations disclosing any dishonest or fraudulent intention at the inception of the transaction. The filing of multiple proceedings, first by way of a private complaint and thereafter through a police complaint on the same set of allegations, according to the petitioner, clearly reflects mala fides and forum shopping.

7. Per contra, learned counsel appearing for the respondent/complainant would submit that the petitioner has misused the signed blank papers and the original title deeds entrusted to him and has fabricated the agreement of sale, and therefore, the criminal prosecution is fully justified and calls for no interference.



8. Having heard the learned counsel appearing for the parties and upon perusal of the material on record, the point that arises for consideration before this Court is as under:

"Whether the continuation of criminal proceedings for the alleged offences arising out of a loan transaction amounts to an abuse of the process of Court, particularly when a civil suit for recovery arising out of the same transaction is already pending between the parties?"

9. Before advertng to the facts of the case on hand and examining the rival contentions in the light of the settled legal principles, it would be apposite for this Court to extract the relevant portion of the complaint in PCR No.5808/2021. The same reads as under:

"7. The complainant submits that the accused after accepting the repayment from the complainant, when the complainant demanded for the return of signed blank e-stamp paper along



with ten signed blank sheets and are original documents of complainant property mentioned above and to the utter shock the accused Prashanth Sambargi V S demanded for another Rs.15,00,000/- (Rupees Fifteen Lakhs) interest and processing fee balance payment. At this time both had arguments and Prashanth Sambargi V S never returned the complainant original property documents along with signed blank e-stamp papers and 10 blank white papers signed by the complainant till date. Finally, the accused Prashanth Sambargi V S threatened and expressed his ill intention to get his balance interest amount of Rs.15,00,000/- from the complainant.

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12. The complainant submits that the accused Prashanth Sambargi V S has filed a recovery suit before the Hon'ble XXII Additional City Civil and Sessions Judge, at Bengaluru on file O.S.No.6154/2018 based on the said security and surety papers making false allegation. The certified copy of the Sale Agreement dated 23.08.2017 produced before the Hon'ble XXII Additional City Civil and Sessions Judge, at Bengaluru on file O.S.No.6154/2018 is herewith



*produced as Document No.7 for the kind perusal of
this Hon'ble Court."*

10. A careful reading of the extracted portions of the complaint unmistakably reveals that the complainant himself admits having availed a hand loan of Rs.25,00,000/- from the petitioner and further acknowledges that the original title deeds and documents were voluntarily handed over by him as security for the said transaction. It is also an undisputed position that the petitioner has already instituted a civil suit for recovery, which is presently pending adjudication in O.S. No.6154/2018. The gravamen of the dispute, therefore, essentially revolves around the alleged repayment of the loan amount and the consequential enforcement or return of the security. Significantly, the complaint does not disclose any material particulars to demonstrate that the petitioner had any dishonest or fraudulent intention at the inception of the transaction, which is a sine qua non for



attracting the offence punishable under Section 420 of the Indian Penal Code. The allegations relating to execution of blank papers and the alleged fabrication or misuse of documents are inextricably intertwined with the civil dispute between the parties and constitute issues which are squarely the subject matter of adjudication before the competent civil Court. Whether the documents were misused, fabricated, or validly executed are all questions of fact requiring appreciation of evidence and determination in civil proceedings, which cannot be pre-empted or short-circuited by invoking the criminal jurisdiction of this Court.

11. It is well settled that criminal proceedings cannot be permitted to be employed as a tool for recovery of money or for settling scores arising out of purely civil disputes. Time and again, this Court as well as the Hon'ble Supreme Court have consistently cautioned against the tendency of litigants to give a criminal colour to civil transactions, particularly in matters arising out of loan



transactions and contractual obligations. In the case on hand, the conduct of the respondent in initiating successive proceedings on the very same set of allegations, first by lodging a private complaint (PCR) and thereafter by approaching the police, culminating in registration of Crime No.161/2023, clearly demonstrates an attempt to browbeat and coerce the petitioner into submission. Such repeated invocation of the criminal process amounts to arm-twisting and is a patent abuse of the process of law. The fact that the complaint lodged by the petitioner earlier in Crime No.127/2018 resulted in filing of a 'B' report further fortifies the conclusion that the allegations, as made, do not disclose the commission of any cognizable criminal offence.

12. In the light of the above discussion and having regard to the admitted facts, this Court is of the considered opinion that permitting the impugned criminal proceedings to continue would result in grave miscarriage of justice and would amount to an abuse of the process of



Court. The dispute between the parties being predominantly civil in nature, the criminal law cannot be allowed to be invoked as a pressure tactic. This Court is, therefore, satisfied that the present case warrants interference in exercise of its inherent jurisdiction under Section 482 of the Code of Criminal Procedure to secure the ends of justice and to prevent abuse of process.

13. Accordingly, this Court proceeds to pass the following:

ORDER

(i) CrI.P.No.2841/2022 and
CrI.P.No.5389/2023 are allowed;

(ii) The proceedings pending in C.C.No.30571/2021, arising out of PCR No.5808/2021, including the order of cognizance dated 28.10.2021, for the offences punishable under Sections 420, 463, 464, 467, 468 and 474 of the Indian Penal Code, pending on the file of the II Additional Chief



Metropolitan Magistrate, Bengaluru, insofar as petitioner is concerned, are hereby quashed;

(iii) It is clarified that this order shall not come in the way of adjudication of the civil rights and liabilities of the parties in O.S. No.6154/2018, which shall be decided independently on its own merits and in accordance with law;

(iv) Consequently, the criminal proceedings initiated on the very same set of allegations, which culminated in registration of Crime No.161/2023, being a sequel to and arising out of the same transaction, are also liable to be interfered with. Accordingly, the proceedings in Crime No.161/2023 registered by the Halasurgate Police Station pending on the file of the I Additional Chief Metropolitan Magistrate, Bengaluru, insofar as petitioner is concerned, are hereby quashed.

SD/-
(SACHIN SHANKAR MAGADUM)
JUDGE

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