



CNR: KAHC010206842019

NC: 2026:KHC:48251
CRL.P No. 5177 of 2019

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 7TH DAY OF SEPTEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE H.P.SANDESH

CRIMINAL PETITION NO.5177 OF 2019

BETWEEN:

NAVEEN CHANDRA ASWATHANARAYANAPPA
S/O ASWATHANARAYANAPPA MYLARAPPA
R/AT NO.682, 67TH CROSS, 1ST STAGE
KUMARSWAMY LAYOUT
NEAR BLOSSOM SCHOOL, J P NAGARA
BANGALORE-78

...PETITIONER

(BY SRI SWAROOP ANAND R, ADVOCATE)

AND:

Digitally signed
by DEVIKA M
Location: HIGH
COURT OF
KARNATAKA

1. STATE OF KARNATAKA BY
ASHOKNAGAR POLICE STATION
REP. BY POLICE INSPECTOR
BANGALORE-260025
2. SHANTANU BHARDWAJ
S/O SUBHASH BHARDWAJ
AGED 41 YEARS
CEO, ADDVAL SOLUTIONS
A-621, BESTECH BUSINESS TOWERS
MOHALI, PUNJAB-160062

...RESPONDENTS

(BY SRI MOHAMMED AYUB ALI, ADDL. SPP FOR R1;
MS. SHRIVIDYA ZIRALI, ADVOCATE FOR
SRI A M SHOBHAN BABU, ADVOCATE FOR R2)



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THIS CRL.P IS FILED U/S.482 OF CR.P.C PRAYING TO QUASH THE FIR NO.417/2018 PRODUCED AT ANNEXURE "A" REGISTERED BY THE ASHOKNAGAR POLICE STATION, BENGALURU PENDING ON THE FILE OF THE 4TH ACMM, BENGALURU FOR THE OFFENCE U/S.406 AND 420 OF IPC AND ETC.

THIS PETITION, COMING ON FOR ADMISSION, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE H.P.SANDESH

ORAL ORDER

This petition is filed by the accused/petitioner praying this Court to quash the FIR No.417/2018 registered by the Ashoknagar Police Station, Bengaluru for the offence punishable under Sections 406 and 420 of IPC.

2. This matter is listed for admission. Heard the counsel appearing for the petitioner; the learned Additional SPP appearing for respondent No.1 and the learned counsel appearing for respondent No.2.

3. The main contention of the counsel appearing for the petitioner before this Court is that there was a contract between both the petitioner and respondent No.2 and also there was an agreement in this regard. The counsel submits



that if any civil dispute arises between the parties, there should be an arbitration proceedings. The counsel also brought to notice of this Court the copy of the complaint dated 15.11.2018 wherein an allegation is made that as per the agreement, Aticara failed to make the payments on 15.09.2018. Also, he deliberately with his fraudulent and malafide intention, avoided us to give the copy of second agreement/contract and also not made the payment. The counsel submits that having considered this complaint, it is very clear that it is only a dispute with regard to the payment as well as compliance with regard to the conditions mentioned in the agreement. Further, the counsel would contend that there is an allegation that the petitioner not made the payment to the tune of Rs.1,34,49,485/- as per the agreement/contract and hence, request was made to register the case against the petitioner and accordingly, the Ashoknagra Police have registered the case.

4. The counsel appearing for the petitioner also vehemently contend that the dispute between the parties is purely civil in nature. The counsel also contend that there is no



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any power of attorney or resolution by the company and company also not made as a party. The counsel also vehemently contend that when there is a clear dispute between the parties with regard to the conditions imposed in the agreement, there is no prima facie case made out against the petitioner herein. The counsel also contend that petitioner has neither breached the trust of the complainant or induced the complainant in any manner to part with the software code and in the circumstances, the ingredients of Section 406 and 420 does not arise. Hence, it is a clear case of misuse and also an abuse of process in registering the criminal case and prays this Court to quash the proceedings.

5. Per contra, the counsel appearing for respondent No.2 would vehemently contend that no dispute that an agreement was entered into between the parties and also there is an arbitration clause. The counsel would contend that arbitration proceedings is also already completed and the same is pending before the appellate authority. The counsel also vehemently contend that in terms of the agreement, completed the work, but not made the payment by the petitioner. The



counsel would vehemently contend that second agreement came into existence with an intention to cheat. Hence, the ingredients of offence under Sections 406 and 120B of IPC attracts.

6. The counsel appearing for the State also brought to notice of this Court the contents of the complaint wherein specific allegations are made.

7. Having heard the counsel appearing for the petitioner as well as the counsel appearing for the respondents and also having considered the material on record, it discloses that there is no dispute between the parties with regard to the agreement and also the conditions of the agreement. The very grounds of the complainant/respondent No.2 is that petitioner has not made the payment in terms of the agreement. When the dispute was before the arbitration, the arbitration proceedings was also completed and subsequently, an appeal also pending before the arbitration appellate authority. When such being the material available on record, the very initiation of criminal proceedings does not arise since there is an agreement between the parties and if no payment is made in



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terms of the agreement, the same is a civil in nature as rightly pointed out by the counsel appearing for the petitioner. In order to invoke the offences under Sections 406 and 420 of IPC, there must be an intention to cheat at the time of very first agreement entering into that means at the first instance. The counsel appearing for respondent No.2 would vehemently contend that even, subsequently, also cheated the complainant/respondent No.2 and with the oblique motive of cheating only, the second agreement was entered into. Having considered the nature of the allegation, it is clear that all these materials to be considered in the arbitration proceedings only when there is a civil dispute with regard to the payment is concerned. Having perused the complaint, it is clear that the averments of complaint is also with regard to the non payment of amount as agreed in terms of the contract is concerned. When such being the case, continuation of criminal proceedings against the petitioner is nothing but an abuse of process. Hence, the petitioner has made out the case to quash the proceedings initiated against him. The question of invoking criminal prosecution in respect of the civil dispute does not



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arise. Hence, the petitioner has made out the grounds to quash the proceedings. Accordingly, the petition is allowed and initiation of criminal proceedings in FIR No.417/2018 against the petitioner is thereby quashed.

8. In view of disposal of the main petition, I.A. if any, does not survive for consideration and the same stands disposed of.

Sd/-
(H.P.SANDESH)
JUDGE

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