



CNR: KAHC010366382019

NC: 2026:KHC:53866
CRL.P No. 3389 of 2019
C/W CRL.P No. 3250 of 2019

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 29TH DAY OF SEPTEMBER, 2026

BEFORE

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

CRIMINAL PETITION NO.3389 OF 2019

C/W

CRIMINAL PETITION NO.3250 OF 2019

IN CRL.P NO.3389/2019:

BETWEEN:

1. M. RAJAGOPAL REDDY
S/O LATE M. VENKU REDDY
AGED ABOUT 63 YEARS
MANAGING DIRECTOR

2. M. SHRIDEVI
W/O M. RAJAGOPAL REDDY
AGED ABOUT 57 YEARS,
DIRECTOR, VDB PROJECTS

BOTH ARE
RESIDING AT NO.66/2 66/3
NELLORE HALLI MAIN ROAD
SIDDAPURA LAYOUT
WHITEFIELD
BENGALURU-560 066.

3. P. MADHUSUDAN REDDY
S/O BALARAMI REDDY
AGED ABOUT 52 YEARS
EXECUTIVE DIRECTOR
PRESENTLY R/AT 1763
7TH MAIN, 7TH CROSS
JUDICIAL LAYOUT

Digitally signed
by DEVIKA M
Location: HIGH
COURT OF
KARNATAKA



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GKVK POST YELAHANKA
BENGALURU-560 065.

ALSO AT:
FLAT NO.503, MARS PIRAMID
SARASWATHI NAGAR, NELLORE
ANDHRA PRADESH-524 003.

4. A. RACHANA REDDY
W/O ADALA VAMSEE KRISHNA REDDY
AGED ABOUT 32 YEARS
DIRECTOR
2-8-293/82/A, P.NO.1147
ROAD NO.59, JUBLI HILLS
HYDERABAD-500 033.

...PETITIONERS

(BY SRI. GOVINDARAJ K., ADVOCATE)

AND:

1. THE STATION HOUSE OFFICER
PUTTENAHALLI POLICE STATION
BENGALURU-560 078
REPRESENTED BY SPP
HIGH CUORT OF KARNATAKA
BENGALURU-560 001.
2. ZABULON ATHISAYAM
S/O A. MAHARAJA NADAR
134, 3RD CROSS,
DOLLARS COLONY
J.P.NAGAR 4TH PHASE
BENGALURU-560 078.

...RESPONDENTS

(BY SRI. SUHAS GOWDA M, HCGP FOR R1;
SRI. SATEESH S. KUDTARKAR, ADVOCATE FOR R2)



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THIS CRIMINAL PETITION IS FILED UNDER SECTION 482 OF CR.P.C PRAYING TO QUASH THE FIR IN CR.NO.289/2018 OF THE PUTTENAHALLI POLICE, REGISTERED AGAINST THE PETITIONERS FOR THE OFFENCE PUNISHABLE UNDER SECTION 420 OF IPC, PENDING ON THE FILE OF XLIV ACMM, BENGALURU.

IN CRL.P NO.3250/2019:

BETWEEN:

1. ABHISHEK REDDY
S/O RAJAGOPAL REDDY
AGED ABOUT 36 YEARS
EXECUTIVE DIRECTOR
VDB PROJECTS
2. ABHINAV REDDY
S/O RAJAGOPAL REDDY
EXECUTIVE DIRECTOR
VDB PROJECTS

BOTH ARE RESIDING AT
OFFICE AT NO.842 A, 3RD FLOOR
100 FEET ROAD, INDIRANAGAR
BENGALURU-560 038.

...PETITIONERS

(BY SRI. GOVINDARAJ K., ADVOCATE)

AND:

1. THE STATION HOUSE OFFICER
PUTTENAHALLI POLICE STATION
BENGALURU-560 078
REPRESENTED BY SPP
HIGH COURT OF KARNATAKA
BENGALURU-560 001.
2. ZABULON ATHISAYAM
NO.134, 3RD CROSS



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DOLLARS COLONY
J.P. NAGAR 4TH PAHSE
BENGALURU-560 078.

...RESPONDENTS

(BY SRI. SUHAS GOWDA M., HCGP FOR R1;
SRI. SATEESH S. KUDTARKAR, ADVOCATE FOR R2)

THIS CRIMINAL PETITION IS FILED UNDER SECTION 482 OF CR.P.C PRAYING TO QUASH THE FIR IN CRIME NO.289/2018 OF THE 1ST RESPONDENT, REGISTERED AGAINST THE PETITIONER FOR THE OFFENCE PUNISHABLE UNDER SECTION 420 OF IPC, PENDING ON THE FILE OF THE LEARNED XLIV ACMM, BENGALURU.

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

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

ORAL ORDER

Heard learned counsel for petitioners, learned High Court Government Pleader for respondent No.1 and learned counsel for respondent No.2.

2. This matter was heard in part on the earlier occasion. Learned counsel appearing for the petitioners on the earlier occasion made the submission that they made the payment and not withhold the payment of Rs.40 crores as contented in the complaint. To that effect, today learned counsel for the petitioners filed memo stating that on the date



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of complaint itself, an amount of Rs.17 crores is paid. The counsel appearing for respondent No.2 also not disputes the fact that on the date of complaint, they have received an amount of Rs.17 crores. However, learned counsel appearing for respondent No.2 would submit that in terms of the contract, the petitioners are entitled only for 3% and not more than that and even out of Rs.40 crores, Rs.17 crores is paid and balance amount was Rs.23 crores and they cannot withhold such money and cheated in non-payment, even though an amount of Rs.107 crores was received by the petitioners.

3. Learned counsel appearing for petitioner Nos.1 and 2 in Crl.P.No.3389/2019 would vehemently contend that petitioners are Executive Directors of VDB Projects Private Limited and they are totally innocent of the alleged offences. The counsel would vehemently contend that entire transaction is purely civil in nature, if there is any violation of contract with regard to payment is concerned, they cannot file a criminal complaint giving a criminal colour to the civil dispute. The counsel also would contend that though complainant used to receive substantial payments towards the sub-contract, he had



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not disclosed the same, just to project, as if the petitioners have got the work done and had not paid the amount and the very approach of the complainant is very clear that only with an intention to harass the petitioners invoked the criminal jurisdiction. Hence, it requires interference of this Court.

4. Learned counsel appearing for the petitioners in Crl.P.No.3250/2019 also contend that having taken note of the averments made in the complaint, a subcontract agreement was made on 05.05.2007 between the complainant's company and the petitioner's company for back-to-back business to carry out sub-contract works for remodeling of primary and secondary storm water drains, culverts/bridges and allied works under 'BBMP SWS Action Plan Works 2016-2017' spread out at various locations and the complainant and the petitioners' company had opened a joint account in Allahabad Bank, K.G.Road, Bengaluru. The complainant's company had completed work to the tune of Rs.107 crores and the bill amount was credited in joint account and still the bill amount of Rs.30 crores to be cleared by BBMP for the work completed. The work about Rs.54 crores is yet to be carried out and out of



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the billed amount of Rs.107 crores, the petitioners' company owe Rs.40 crores to the complainant's company, in addition, the rebate and tax reimbursement given by Government to be transferred to the complainant. Further, alleged that though the complainant completed the work as per agreement, there is due of Rs.40 crores from the petitioner's company and they are dodging and the same which is erroneous. The counsel would contend that these petitioners are Executive Directors of VDB Projects Private Limited and they are totally innocent of the alleged offences and contends that the petitioners came to know about registration of case through one of their staff by name Mr.Vasanth, who had informed that a notice was addressed to him asking him to be present before CCB Police and case is registered and though the complainant used to receive substantial payments towards the sub-contract, he had not disclosed the same, just to project as if the petitioners have got the work done and had not paid the amount and a false allegation is made. Hence, these petitioners are also entitled for the relief and quashing of proceedings.



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5. The counsel in support of his argument relied upon judgment of the Apex Court in **ANUKUL SINGH vs. STATE OF UTTAR PRADESH AND ANR.** passed in **CRL.A.NO.4250/2025** decided on **24.09.2025** and brought to notice of this paragraph Nos.18 and 19, wherein the Apex Court discussed referring the judgment of **INDER MOHAN GOSWAMI AND ANOTHER vs. STATE OF UTTARANCHAL AND OTHERS** reported in **AIR 2008 SC 251**. So also, the judgment in **GANGA DHAR KALITA VS. STATE OF ASSAM** reported in **(2015) 9 SCC 647**, wherein also the Court again reiterated that criminal complaints in respect of property disputes of civil nature, filed solely to harass the accused or to exert pressure in civil litigation, constitute an abuse of process. In paragraph No.19, the Apex Court discussed referring the judgment in **SHAILESH KUMAR SINGH @ SHAILESH R. SINGH VS. STATE OF UTTAR PRADESH AND OTHERS** reported in **2025 INSC 869** passed in **CRL.A.NO.2963/2025** decided on **14.07.2025**, wherein also the Apex Court disapproved the practice of using criminal proceedings as a substitute for civil remedies, observing that money recovery



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cannot be enforced through criminal prosecution where the dispute is essentially civil and cautioned High Courts not to direct settlement in such matters, but to apply the settled principles as held in **STATE OF HARYANA & OTHERS VS. BHAJAN LAL & OTHERS** reported in **1992 SUPP (1) SCC 3345**. The counsel referring this judgment would contend that it is a civil dispute and criminal colour is given.

6. Per contra, learned counsel appearing for respondent No.2 would vehemently contend that a specific allegation is made in the complaint that accused have cheated the complainant and having received the money of Rs.107 crores, only part payment was made and Rs.40 crores was due. Though made the payment of Rs.17 crores on the date of complaint, but not paid the full amount and the petitioners are entitled only for 3% in terms of sub-contract agreement between the complainant and accused. The counsel also would contend that complaint does disclose allegation of cheating and payment terms at point No.6.06 of the payment terms stipulates 'payment for the work done by Imperial shall be made by VDB on receipt of corresponding payment from SWD,



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BBMP by VDB after deducting 3% of the gross certified amount'. But committed an offence of cheating, withholding the amount, even the same is against contract between the parties and not a case of giving criminal colour in respect of civil dispute is concerned.

7. Learned counsel appearing for respondent No.2, in support of his argument, relied upon judgment of the Apex Court in **DINESHBHAI CHANDUBHAI PATEL vs. STATE OF GUJARAT AND OTHERS** reported in **(2018) 3 SCC 104**, wherein also the Apex Court held in paragraph Nos.30 and 31 that if the allegations made in complaint does discloses the committing of offence, the High Court should not come in the way in investigating the matter.

8. The counsel also relied upon the judgment of this Court in **SAU KAMAL SHIVAJI POKARNEKAR vs. STATE OF MAHARASHTRA AND ORS.** reported in **AIR 2019 SC 847**, wherein the Apex Court held that quashing of proceedings, correctness of allegations against accused has to be decided only in trial, criminal complaints cannot be quashed at initial



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stage of issuance of process only on ground that allegations made therein appear to be of civil in nature.

9. The counsel also relied upon order passed by this Court in **MR. SRINATH KESHAV vs. STATE OF KARNATAKA** in **CRL.P.NO.339/2020** dated **06.02.2021**, wherein also this Court taken note of judgment of ***Dineshbhai Chandubhai Patel's*** case, so also the order passed in **MR. M. PRAVEEN KUMAR vs. STATE OF KARNATAKA** in **CRL.P.NO.4730/2020** dated **03.02.2021**, wherein also the very judgment of ***Dineshbhai Chandubhai Patel's*** case was referred. The counsel also referred the order passed in **MR. MAHESH KUMAR ANAM vs. STATE OF KARNATAKA** in **CRL.P.NO.7104/2020** dated **27.01.2021**, wherein also, this Court relied upon very same judgment in ***Dineshbhai Chandubhai Patel's*** case. So also, **AVIJIT GOSH vs. STATE OF KARNATAKA** passed in **CRL.P.NO.7255/2020** dated **27.01.2021**, wherein also the principles laid down in the judgment of ***Dineshbhai Chandubhai Patel's*** case was taken note of. The counsel would contend that when specific allegations are made with regard to cheating, whether it was at



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the inception or not, the Court has to allow the Investigating Officer to investigate the matter and file the charge sheet either 'A' report or 'B' report. But, at the initial stage of registering the case, the Court cannot quash the proceedings.

10. Having heard learned counsel appearing for the petitioners and learned counsel for respondent No.2 and particularly, taking note of allegations made against the petitioner and though, no dispute with regard to allegation that there was a contract and work was done and also the petitioner not disputes the fact that received the amount of Rs.107 crores. But, learned counsel appearing for the petitioners would contend that substantial payment was made and it is a dispute in civil nature and there cannot be any prosecution by registering the criminal case. The Court also to take note of factual aspects and learned counsel appearing for petitioners also produced the document today before the Court that additional payment was made as on the date of lodging of complaint and learned counsel appearing for the respondent No.2 also not disputes the said fact. But, dispute is with regard to the amount between them i.e., only 3% for the petitioners



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and remaining amount is payable in favour of the respondent No.2-complainant. When such being the case, in view of the judgment of the Apex Court in ***Dineshbhai Chandubhai Patel's*** case, this Court cannot venture to whether it comes within the purview of civil dispute or criminal colour is given and the Investigating Officer has to investigate the matter and whether it comes within the ingredients of the offence under Section 420 of IPC as alleged in the complaint and the Investigating Officer has to take a call on that whether it is a dispute with regard to recovery of money or with regard to cheating, the Investigating Officer has to decide the same while filing 'A' report or 'B' report.

11. When such being the case, when the FIR is registered and specific allegations are made against the petitioners about cheating, the Investigating Officer has to unearth the truth whether there was an ingredients of offence under Section 420 of IPC at the inception of the transaction and there was an intention to cheat or not. Hence, petitioners have not made out any grounds to quash the proceedings of FIR and the same is the domain of the Investigating Officer to



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investigate and decide whether it comes within the purview of civil dispute or it is a case of cheating.

12. In view of the discussion made above, I pass the following:

ORDER

Both the criminal petitions are ***dismissed.***

**Sd/-
(H.P.SANDESH)
JUDGE**

ST
List No.: 1 Sl No.: 10