



CNR: KAHC010533192019

NC: 2026:KHC:53037
CRL.P No. 226 of 2020

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 24TH DAY OF SEPTEMBER, 2026

BEFORE

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

CRIMINAL PETITION NO.226 OF 2020

BETWEEN:

1. T.E. VENKATESH,
S/O ESHWARAPPA,
AGED ABOUT 39 YEARS,
AGRICULTURIST,
BILIMOGGADA STREET,
2ND CROSS, NEAR KEB,
TARIKERE,
CHIKKAMAGALURU-577228.

...PETITIONER

(BY SRI. ADARSH P., ADVOCATE FOR
SRI. SACHIN B.S., ADVOCATE)

AND:

Digitally signed
by DEVIKA M
Location: HIGH
COURT OF
KARNATAKA

1. STATE OF KARNATAKA,
TARIKERE TOWN POLICE STATION,
REPRESENTED BY STATE PUBLIC PROSECUTOR,
HIGH COURT BUILDING,
BENGALURU-560001.
2. MANJUNATHA S.,
SAHAKARA SANGAGALA SAHAYAKA
NIBHANDAKARU, TARIKERE SUB-DIVISION,
MUNICIPAL COMPLEX, TARIKERE,
CHIKKAMAGALURU-577228.

...RESPONDENTS

(BY SRI. MOHAMMED AYUB ALI, ADDL. SPP FOR R1;
R2 - SERVED UNREPRESENTED)



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THIS CRL.PETITION IS FILED UNDER SECTION 482 OF CR.P.C PRAYING TO QUASH THE ENTIRE PROCEEDINGS IN CR.NO.210/2019 ON THE FILE OF THE COURT OF SENIOR CIVIL JUDGE AND PRL. JMFC AT TARIKERE, REGISTERED BY TARIKERE TOWN POLICE STATION, FOR THE OFFENCES PUNISHABLE UNDER SECTIONS 504 AND 506 R/W SECTION 34 OF IPC AND UNDER SECTIONS 38 AND 39 OF KARNATAKA MONEY LENDERS ACT AND UNDER SECTION 4 OF KARNATAKA PROHIBITION OF CHARGING EXORBITANT INTEREST ACT AS PER DOCUMENT NO.1.

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

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

ORAL ORDER

Heard the learned counsel for the petitioner and the learned Additional SPP appearing for respondent No.1/State.

2. This petition is filed praying this Court to quash the entire proceedings in Crime No.210/2019, on the file of the Court of Senior Civil Judge and Prl. JMFC, Tarikere, for the offences punishable under Sections 504, 506 read with 34 of IPC, Sections 38 and 39 of the Karnataka Money Lenders Act, 1961 and Section 4 of the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004.

3. The factual matrix of the case is that one Mr. K.V. Balamurali had lodged the complaint with the Superintendent of



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Police on 16.08.2019, stating that he is getting a lot of mental torture from meter interest persons, who are charging 4% interest per week, wherein allegation is made against one Rajasekhar and also this petitioner. In the said complaint, it is stated that he had borrowed an amount of Rs.5,00,000/- in between 2013-14 to 2018-19 and they had collected almost Rs.2 Crore as interest for the span of 5 years and again demanding Rs.1 Crore. This complaint was referred to the Assistant Registrar of Cooperative Societies ('ARCS' for short) and the ARCS having received this letter addressed the same to the Police Inspector, Tarikere Police Station, Tarikere, in terms of document No.2. In paragraph No.4 of document No.2, an observation is made that license was taken as per license No.1880/2008 and the same was expired on 31.03.2013 and if any documents are furnished to support the contents of the complaint, proceedings can be initiated as per law and that report is given to the police. The police registered the case by issuing the FIR and no direction was given to the police to initiate the case, except an observation that if the allegation is substantiated by producing any documents, proceedings can be



initiated. The police registered the case for the offences mentioned above and hence, the petitioner has approached this Court.

4. The learned counsel for the petitioner in his arguments would vehemently contend that in the letter addressed to the Superintendent of Police, except stating that collected an amount of Rs.2 Crores against advancement of amount of Rs.5 lakhs and still insisting for an amount of Rs.1 Crore, nothing is attributed to invoke the offence under Sections 504 and 506 of IPC. The learned counsel also vehemently contend that the complainant did not produce any documents along with the report to substantiate the allegation and the complainant himself says that the petitioner had obtained license for carrying out the lending business and he has not renewed his license of lending business since 31.03.2013. The very complaint is clear that the transaction was of the year 2013-14, but not specifically mentioned in the complaint on what date he borrowed the money. The very initiation of proceedings is just to harass the petitioner and there was no any direction to the police to register the case.



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5. The learned counsel also relies upon the judgment of the Apex Court in the case of **MANOJ MAHAVIR PRASAD KHAITAN v. RAM GOPAL PODDAR AND ANOTHER** reported in **(2010) 10 SCC 673** and brought to the notice of this Court paragraph No.12, wherein it is held that when the criminal Court looks into the complaint, it has to do so with an open mind. True it is that that is not the stage for finding out the truth or otherwise in the allegations; but where the allegations themselves are so absurd that no reasonable man would accept the same. The High Court could not have thrown its arms in the air and expressed its inability to do anything in the matter. Section 482 of Cr.P.C. is a guarantee against injustice. The High Court is invested with the tremendous powers thereunder to pass any order in the interests of justice. Therefore, this would have been a proper case for the High Court to look into the allegations with the openness and then to decide whether to pass any order in the interest of justice and hence, invoked the provisions under Section 482 of Cr.P.C.

6. The learned Additional SPP appearing for respondent No.1/State would submit that though not stated



anything in the complaint about the intentional insult to invoke Sections 504 and 506 of IPC, but the police invoked the offences under Sections 38 and 39 of the Karnataka Money Lenders Act, 1961 and also Section 4 of the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004. The learned counsel also contend that when the other offences are cognizable offences, other than IPC offences, rightly registered the case.

7. Having heard the learned counsel for the petitioner and the learned Additional SPP appearing for respondent No.1/State, this Court has to see the document of complaint dated 16.08.2019, given to the Superintendent of Police and the same is a foundational document to initiate the proceedings against the petitioner, wherein specific allegation is made that he is getting a lot of mental torture from meter interest persons who are charging 4% to 5% interest per week and referred the names of Rajasekhar, T.E. Venkatesh/petitioner herein and also other three persons names. In respect of this petitioner is concerned, it is stated that the transaction is of the year 2013-14. The ARCS while conducting the investigation found that



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there was a licence, but licence was expired in 2013. However, the Court has to take note of the allegations made in the said complaint addressed to the Superintendent of Police, wherein he has stated that he has borrowed an amount of Rs.5,00,000/- and made the payment of Rs.2 Crores for the span of 5 years and again the petitioner is demanding an amount of Rs.1 Crore. The police ought to have taken note of the contents of this complaint when the case was registered and also ought to have taken note of the ARCS report is also that only if any document is substantiated, then can take the proceedings in accordance with law and there was no any direction and only report is given to the concerned police. But the police have registered the case based on the letter as well as the observations made by the ARCS. When there was no such direction and also the very allegation that he made the payment of Rs.5,00,000 and collected Rs.2 Crores that too for a span of 5 years, ought to have applied their mind while registering the FIR.

8. The learned Additional SPP appearing for respondent No.1/State also brought to the notice of this Court



that the cheques were issued in connection with arecanut business and when the complainant gave the cheques and cheques were bounced, cheque bounce case was initiated against him in C.C.No.564/2019 and he was convicted. As against the same, Crl.A.No.1/2021 was filed and the Appellate Court also confirmed the same and the same also attained its finality. As rightly pointed out by the learned counsel for the petitioner, it is nothing but an arm-twisting the case registered against him. When such being the case, it is a clear case of abuse of process and the ingredients of Sections 38 and 39 of the Karnataka Money Lenders Act does not attract to invoke those offences against the petitioner. Though an allegation is made that exorbitant interest is charged and invoked Section 4 of the Karnataka Prohibition of Charging Exorbitant Interest Act, the same is also not substantiated before the ARCS and even no documents are also furnished for having made payment of Rs.2 Crores. Under the circumstances, if this Court fails to exercise the power under Section 482 of Cr.P.C., as observed by the Apex Court in the judgment referred by the learned counsel for the petitioner (supra), it leads to



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miscarriage of justice and hence, the petitioner has made out a case for quashing of the proceedings.

9. In view of the discussions made above, I pass the following:

ORDER

The petition is allowed and the proceedings initiated against the petitioner is quashed.

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

MD
List No.: 1 Sl No.: 21