HC-KAR

NC: 2026:KHC:60029
CRL.P No. 114 of 2024

CNR: KAHC010001952024

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF OCTOBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE RAJESH RAI K

CRIMINAL PETITION NO.114 OF 2024

BETWEEN:

SRI. SHIVAKUMAR N
S/O LATE B.S.NARAYANA,
AGED ABOUT 46 YEARS
R/A NO.136, 3RD MAIN ROAD,
VALAGEREHALLI,
JNANABHARATI 1ST STAGE,
JNANABHARATI,
BANGALORE-560049.

...PETITIONER

(BY SRI. PARAMESHWAR N.HEGDE, ADVOCATE)

AND:

Digitally signed by PANKAJA S
Location: HIGH COURT OF KARNATAKA

1. STATE BY CHANDRA LAYOUT
POLICE STATION, BANGALORE,
REP BY HIGH COURT SPP,
HIGH COURT OF KARNATAKA
BANGALORE-560001.

2. SRI. VINOD KRISHNAN,
S/O M.S.KRISHNAN,
AGED ABOUT 38 YEARS,
R/A FLAT NO.006,
MBR SINGFONIA,
PANTHARAPALYA,

MYSORE ROAD,
NAYANDANAHALLI,
BANGALORE-560039.

…RESPONDENTS

(BY SRI.MAHESHA P., HCGP FOR R-1;
SRI.RENY SEBASTIAN, ADVOCATE FOR R-2)

THIS CRL.P IS FILED U/S.482 OF CR.P.C PRAYING TO QUASH THE FIR AND COMPLIANT REGISTERED BY THE 1ST RESPONDENT POLICE AGAINST THE PETITIONER IN CR.NO.476/2023 FOR OFFENCE P/U/S.506, 504, 420 OF IPC PENDING BEFORE THE VIII ACMM AT BENGALURU.

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

CORAM: HON'BLE MR. JUSTICE RAJESH RAI K

ORAL ORDER

This petition is filed under Section 482 of Cr.P.C. to quash the FIR in Crime No.476/2023 dated 25.10.2023 registered by Chandra Layout Police Station against the petitioner and another for the offences punishable under Sections 506, 504 and 420 of IPC, on the file of VIII Additional CMM Court, Bengaluru.

2. The brief facts of the case are that respondent No.2 lodged a complaint before respondent No.1-Police on 25.10.2023, alleging that the petitioner, being a friend of

respondent No.2, had advised him in December 2018 to invest money in a firm belonging to one Ravindra, who is accused No.1 in the present case. Acting on the said advice, respondent No.2 invested a sum of Rs.24,00,000/- with accused No.1. Further, the wife of respondent No.2, namely, Sharanya, had also invested a sum of Rs.7,62,000/- in the accused No.1's firm. At the time of investment, accused No.1 assured respondent No.2 that he would provide a 15% share in the annual profits and return the entire investment amount within two years. However, upon completion of the stipulated period of two years, when respondent No.2 demanded repayment of the invested amount along with the promised profit of 15%, accused No.1 failed to repay the same.

3. Subsequently, a compromise was arrived at, wherein accused No.1-Ravindra agreed to repay a sum of Rs.24,00,000/- and accordingly issued a cheque bearing No.434490 dated 14.10.2022 for the said amount. When respondent No.2 presented the said cheque for encashment, it was dishonoured for want of sufficient funds. Consequently, respondent No.2 initiated proceedings against accused No.1

under Section 138 of Negotiable Instruments Act by filing a private complaint.

4. Thereafter, respondent No.2 lodged the present complaint against accused No.1-Ravindra and the petitioner herein. Based on the said complaint, respondent No.1-Police registered a case in Crime No.476/2023 dated 25.10.2023 against accused No.1 and the petitioner, arraying the petitioner as accused No.2, for the offences punishable under Sections 506, 504 and 420 of the IPC. Aggrieved by the same, the petitioner has preferred this petition.

5. Heard the learned counsel for the respective parties.

6. The primary contention of learned counsel for the petitioner is that, on a perusal of the entire complaint averments, except for the bald and omnibus allegation that the petitioner, being a friend of respondent No.2, had advised him to invest money in the firm belonging to accused No.1, no other specific allegations are forthcoming against the petitioner. Admittedly, the entire amount was invested by respondent No.2 in the firm belonging to accused No.1, and it was accused

No.1 who subsequently issued a cheque in favour of respondent No.2. Upon dishonour of the said cheque, proceedings under Section 138 of N.I. Act are pending between accused No.1 and respondent No.2. In such circumstances, the petitioner cannot be held vicariously liable for the acts of accused No.1, particularly in the absence of any specific allegations indicating his involvement in the alleged offences. Accordingly, he prays to allow the petition.

7. *Per contra*, this prayer is opposed by learned counsel for respondent No.2 as well as learned HCGP. They jointly submit that the investigation is still at a nascent stage and that the petitioner had advised respondent No.2 that he would secure good returns in the form of 15% profit on the investment, thereby inducing respondent No.2 to invest money in the firm belonging to accused No.1. Hence, they contend that the petitioner is also involved in the commission of the alleged offences. Accordingly, they prays to dismiss the petition.

8. I have given my anxious consideration both on the submission and perused the FIR and complainant averments.

9. As could be gathered from the FIR averments, respondent No.2-complainant had invested a sum of Rs.24,00,000/- and his wife had invested a sum of Rs.7,62,000/- in the firm belonging to accused No.1. The only allegation made against the petitioner is that he had advised respondent No.2 to invest money in the firm of accused No.1. Subsequently, accused No.1 failed to repay the principal amount as well as the promised share of profits. In this regard, accused No.1 issued a cheque for a sum of Rs.24,00,000/-, which, upon dishonour, led respondent No.2 to initiate proceedings against accused No.1 under the provisions of the N.I. Act in C.C.No.11583/2023, which is pending consideration.

10. Thus, the only allegation against the petitioner is that he had advised respondent No.2 to invest money in the firm belonging to accused No.1. Admittedly, the amount was paid by respondent No.2 to accused No.1. In the absence of any specific allegations indicating the petitioner's active involvement in the alleged transaction or the commission of the alleged offences, the petitioner cannot be held vicariously liable for the acts of accused No.1. Consequently, no *prima facie*

offence is made out against the petitioner. In such circumstances, continuation of proceedings against the petitioner would amount to an abuse of the process of Court. Accordingly, I proceed to pass the following:

ORDER

i. The criminal petition is ***allowed***.

ii. The proceedings against petitioner/accused No.2 in Crime No.476/2023 dated 25.10.2023 registered by Chandra Layout Police Station for the offences punishable under Sections 506, 504 and 420 of IPC, on the file of VIII Additional CMM Court, Bengaluru., are hereby quashed.

SD/-
(RAJESH RAI K)
JUDGE

GPG
List No.: 1 Sl No.: 6