HC-KAR

NC: 2026:KHC:60065
CRL.P No. 7523 of 2026

CNR: KAHC010359902026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF OCTOBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE ANANT RAMANATH HEGDE

CRIMINAL PETITION NO. 7523 OF 2026

BETWEEN:

MR. M.C. RAJESH
S/O CHANDRAN.M.K
AGED ABOUT 43 YEARS,
RESIDING AT NO.T-1,
3RD FLOOR, NSR ROAD,
NEHRU NAGAR, ASHOK MANOR,
CHROMEPET, CHENNAI - 600 044

REPRESENTED BY HIS POWER OF ATTORNEY
HOLDER MR.M.K.CHANDRAN
RESIDING AT NO. T-1, 3RD FLOOR,
NSR ROAD, NEHRU NAGAR,
ASHOK MANOR, CHROMEPET,
CHENNAI - 600 044

…PETITIONER

(BY SRI. NAVEENNANDA D.T., ADVOCATE)

AND:

1. M/S. PNB (PUNJAB NATIONAL BANK) HOUSING FINANCE LIMITED,
HAVING ITS REGISTERED OFFICE AT NO.22,
K.G.MARG, ANTRIKSHBHACAN,
9TH FLOOR, NEW DELHI - 110 001

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REGIONAL OFFICE AT NO.40,
JODH TOWER, 2ND FLOOR,
27TH CROSS, 5TH MAIN ROAD,
JAYANAGAR 4TH BLOCK,
BANGALORE - 560 011

REPRESENTED BY IT'S POA HOLDER
MRS. SHREE VANI K,
D/O VEKNATASUBBAIAH K.
AGED ABOUT 35 YEARS,

…RESPONDENT

THIS CRL.P IS FILED U/S 482 CR.P.C. (U/S 528 BNSS) PRAYING TO PASS APPROPRIATE ORDERS OR DIRECTION QUASHING THE CRIMINAL PROCEEDINGS IN CC.NO.20159/2025, FOR THE OFFENCE P/U/S 138 OF N.I ACT, COMPOUNDING THE OFFENCES INITIATED BY THE RESPONDENT ON THE COMPLAINT WHICH IS PENDING BEFORE THE LEARNED XIV ADDL. SMALL CAUSES JUDGE AND CJM (SCCH-10) AT BANGALORE.

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

CORAM: HON'BLE MR. JUSTICE ANANT RAMANATH HEGDE

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RAMNATH HEGDE

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ORAL ORDER

This petition is filed to quash the proceedings in C.C.No.20159/2025 for the offence under Section 138 of the Negotiable Instruments Act, 1881 ('NI Act').

2. Learned counsel for the petitioner would submit that the petitioner borrowed a loan amount from the bank and there was a tripartite agreement between the banker/complainant, the builder and the landlord. However, because of the dispute between the builder and the landlord, the joint development agreement is cancelled. Hence, the construction could not progress further.

3. It is the submission that the bank has disbursed the amount to the builder and because of the cancellation of the agreement, there is one more arbitration proceeding is pending and it is further submitted that the bank has also initiated the proceedings under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 Act.

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RAMNATH HEGDE

4. Learned counsel for the petitioner would submit that in the aforementioned factual background the proceeding under Section 138 of the N.I. Act, is not tenable and would contend that, the proceedings ought to be quashed.

5. The Court has noticed the fact that there is no dispute over the fact that the cheque is dishonoured. The cheque pertains to the account of the petitioner and notice has been issued within 30 days from the date of dishonour. That being the position, the basic requirement of Section 138 of the N.I. Act, have been complied. The proceedings cannot be quashed in exercise of jurisdiction under Section 528 of the Bharatiya Nyaya Sanhita, 2023.

6. Accordingly, the Criminal Petition is ***dismissed***.

7. The petitioner is at liberty to raise all the contentions before the Trial Court.

8. Merely because the petition is dismissed, it does not mean that the Court has expressed anything on the merits of the complaint or demerits of the complaint or merits of the

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defence raised by the petitioner. All contentions urged left open.

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(ANANT RAMANATH HEGDE)
JUDGE

NMS
List No.: 1 Sl No.: 26