HC-KAR

NC: 2026:KHC:60552
CRL.P No. 8548 of 2024

CNR: KAHC010437972024

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 30TH DAY OF OCTOBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE RAJESH RAI K

CRIMINAL PETITION NO. 8548 OF 2024

BETWEEN:

1. AMARESH
   S/O SUBBARAO,
   AGED ABOUT 49 YEARS,

2. S UMESH
   S/O SUBBARAO,
   AGED ABOUT 59 YEARS,

3. VAGEESH
   S/O SUBBARAO,
   AGED ABOUT 57 YEARS,

   PETITIOER NO.1 TO 3
   R/O GOPALA,
   KHB COLONY, MIG 5,
   SHIVAMOGGA - 577 201

Digitally signed by PANKAJA S
Location: HIGH COURT OF KARNATAKA

...PETITIONERS

(BY SRI. PRASAD B.S, ADVOCATE)

AND:

1. STATE OF KARNATAKA
   BY TUNGA NAGAR POLICE STATION
   SHIVAMOGGA
   REPRESENTED BY STATE PUBLIC PROSECUTOR
   HIGH COURT OF KARNATAKA
   BANGALORE - 560 001.

2. SHESHAGIRI GOWDA
S/O THIMMEGOWDA
AGE 49 YEARS
R/AT ANUPENUKUTTE
SHIVAMOGGA-577 209

…RESPONDENTS

(BY SRI. MAHESHA P, HCGP FOR R1,
SRI. K.B. GOPAL, ADVOCATE FOR R2)

THIS CRL.P IS FILED U/S 482 OF CR.PC (FILED U/S 528 BNNS) PRAYING TO PLEASED QUASH THE ENTIRE PROCEEDINGS IN C.C.NO.294/2019 FOR THE OFFENCE P/U/S 406, 420 R/W 34 OF IPC, PENDING ON THE FILE OF JMFC III, SHIVAMOGGA IN SO FAR AS PETITIONERS ARE CONCERNED.

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 seeking to quash proceedings against the petitioners - accused Nos.1 to 3 in C.C.No.294/2019 (arising out of Crime No.267/2010 registered by Tunga Nagar Police Station, Shivamogga), for the offences punishable under Sections 406, 420 r/w 34 of IPC, presently pending on the file of JMFC-III, Shivamogga (for short, 'the learned Magistrate').

2. The prosecution alleges that petitioners - accused Nos.1 to 3 approached the respondent No.2 and induced him

to subscribe to the membership of accused No.4's company namely Quest Nest Private Limited, promising that upon investing money, he would receive gold coins. Believing the representation, the respondent No.2 invested money in accused No.4's company. Similarly, C.Ws.8 to 12 also invested money and subscribed to the membership. Subsequently, when they including the respondent No.2 approached the company requesting the issuance of gold coins or the return of their money, accused No.4 failed to comply and instead closed the company.

3. Heard the learned counsel for the respective parties.

4. Similar cases have been registered against accused No.4 in the State of Tamil Nadu, leading to proceedings in the High Court of Madras in Crl.O.P. Nos.30144/2019 and connected petitions. In those proceedings, accused No. 4 filed applications for compounding the offences, stating that the amounts invested by the complainants had been returned. The funds due to 141 unwilling victims were secured in the deposits

of accused No. 4’s bank accounts, which had already been frozen.

5. The petitioners have produced copies of the online application forms submitted by the respondent No.2, indicating that he invested sums of Rs.87,861/- with accused No.4's company. Similarly, the C.Ws.8 to 12 have also made investments in accused No.4's company. There is no material evidence to substantiate that the petitioners, who are agents of accused No.4's company, induced the respondent No.2 and other charge-sheet witnesses to invest money by promising gold coins in return. The allegations primarily pertain to failure of accused No.4 either return the money or deliver the promised gold coins. There is no material to substantiate that petitioners-accused Nos.1 to 3 conspired with accused No.4 in receiving funds from the respondent No.2 and other charge-sheet witnesses.

6. Accused No.4 had also approached the Hon’ble Supreme Court in SLP (Crl.) No. 7295/2017, which was disposed of with the following directions:

> *"a) All claimants are directed to approach the High Court with the aforesaid request by filing affidavits stating that they have no objection in quashing the criminal proceedings arising out of the aforesaid FIR insofar as the petitioner is concerned.*
>
> *b) On filing the affidavits, the High Court shall quash the proceedings arising out of the aforesaid FIR insofar as the petitioner is concerned.*
>
> *c) Till time these affidavits are filed and the order of quashing is passed by the High Court, the amount shall not be disbursed. The amount shall be disbursed only after filing of the affidavits.*
>
> *d) The petitioner shall also be involved in this aforesaid process so that he is able to verify that only genuine persons have filed the affidavits and received the payments."*

7. In the absence of substantial evidence that the petitioners/accused Nos.1 to 3 induced the respondent No.2 to invest the money with the company of accused No.4 with an intention to deceive, as such, the continuation of the criminal proceedings against the petitioners would amounts to abuse of the process of Court. Further, the Co-ordinate Bench of this

Court quashed the proceedings registered against the petitioners with regard to the similar offences and allegation in Crl.Pet.No.8502/2024 c/w Crl.Pet.No.8508/2024. Hence, I proceed to pass the following:

O R D E R

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

ii. The proceedings against the petitioners - accused Nos.1 to 3 in C.C.No.294/2019 (arising out of Crime No.267/2010 registered by Tunga Nagar Police Station, Shivamogga), for the offences punishable under Sections 406, 420 r/w 34 of IPC, presently pending on the file of JMFC-III, Shivamogga, is hereby quashed.

SD/-
(RAJESH RAI K)
JUDGE

CR
List No.: 1 Sl No.: 14