HC-KAR
NC: 2026:KHC:54091
CRL.P No. 303 of 2025
CNR: KAHC010004762025

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 29TH DAY OF SEPTEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

CRIMINAL PETITION NO. 303 OF 2025 (482(Cr.PC) / 528(BNSS)-)

BETWEEN:

MALLIKARJUNA
S/O PARVATA REDDY
AGED ABOUT 25 YEARS
R/AT SRINIVAS MURTHY SHED
8TH A CROSS ABBAREDDY LAYOUT
KAGGADASAPURA MAIN ROAD
BENGALURU 560093

...PETITIONER

(BY SRI. VIJAY KUMAR T.,ADVOCATE)

AND:

THE STATE OF KARNATAKA
STATE BY HAL POLICE STATION
REP BY STATE PUBLIC PROSECUTOR
HIGH COURT BUILDING
BENGALURU 560001

...RESPONDENT

(BY SRI. RANJITH KUMAR N., HCGP)

THIS CRIMINAL PETITION IS FILED U/S 482 CR.P.C (U/S 528 BNSS) PRAYING TO QUASH THE ENTIRE PROCEEDINGS IN CC.NO.26756/2024, FOR THE OFFENCE P/U/S 406,419 AND 420 OF IPC, REGISTERED BY THE HAL P.S., PENDING ON THE FILE OF THE III ACJM, BENGALURU, VIDE ANNEXURE-D AND ETC.

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

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CORAM: HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

ORAL ORDER

1. The petitioner is before this Court seeking for the following reliefs:

   a) *Please to quash the entire proceedings in C.C.No.26756/2024 for the offence punishable under section 406, 419 and 420 of IPC, registered by the HAL Police Station, same is pending on the file of the III Addl. CJM at Bengaluru, vide Annexure-D in the interest of justice and equity.*

   b) *Grant such other relief's as this Hon'ble Court deems fit in the facts and circumstances of the case in the interest of justice and equity.*

2. The respondent police, acting on credible information, registered a suo motu case in Crime No. 247/2022 on 08.09.2022, alleging that the petitioner had obtained the Aadhaar card numbers and photographs of customers who approached him for the purchase of SIM cards and had used the said particulars to procure the unauthorised activation of SIM cards. It was further alleged that the petitioner was attempting to sell the pre-activated SIM cards to members of the public, thereby attracting the provisions of Sections 406, 419 and 420 of the Indian Penal Code, 1860 (IPC).

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3. Upon completion of the investigation, a charge sheet came to be filed for the aforesaid offences. The case of the prosecution is that, although the petitioner was employed as a promoter by Jio, his duties were confined to selling non-activated SIM cards to customers, who were thereafter required to complete the activation process. Contrary to the prescribed procedure, the petitioner is alleged to have procured the activation of SIM cards and retained in his possession 55 SIM cards belonging to Jio and 20 SIM cards belonging to Vodafone, which he was allegedly attempting to sell to prospective purchasers at prices higher than the normal sale price. It is challenging the said proceedings that the petitioner is before this Court.

4. The submission of the learned counsel for the petitioner is that the petitioner was lawfully employed as a promoter with M/s. Jio and that, in the course of his employment, he had been entrusted with 55 SIM cards, which he was selling to third-party purchasers in the ordinary course of business. Learned counsel places reliance on the statement of the Area Manager, examined as CW-8, to contend that promoters are supplied only with non-activated SIM cards for sale to customers. Upon activation, the

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company receives information regarding such activation for billing and other purposes. According to learned counsel, the said statement would indicate that the petitioner could not have been in possession of activated SIM cards registered in the names of persons whose Aadhaar particulars had allegedly been misused.

5. Learned counsel for the petitioner further submits that the petitioner had neither activated the SIM cards nor independently procured them. His case is that he had merely retained the SIM cards entrusted to him by his employer for the purpose of sale. It is contended that no sale had been completed and that the SIM cards had not been put to any unlawful use. On these grounds, learned counsel submits that the essential ingredients of the alleged offences are not made out and that the continuation of the criminal proceedings would, therefore, be an abuse of the process of law.

6. Per contra, the learned High Court Government Pleader, has filed a Memo before this Court today, placing on record the particulars of certain persons in whose names the SIM cards found in the possession of the petitioner had allegedly been activated.

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7. Placing reliance on the memo filed before this Court, he submits that 55 SIM cards belonging to Jio and 20 SIM cards belonging to Vodafone had been activated using Aadhaar particulars and other documents belonging to different individuals. It is contended that the petitioner was found in possession of 75 activated SIM cards registered in the names of persons unconnected with him and that such possession cannot be reconciled with the petitioner's authorised role as a promoter of Jio. The learned High Court Government Pleader further submits that the unauthorised sale of pre-activated SIM cards, which could potentially be used for the commission of further offences, constitutes a serious matter warranting a full-fledged trial.

8. Heard Sri Vijay Kumar T., learned counsel for the petitioner, and Sri Ranjith Kumar N., learned High Court Government Pleader for the respondent. Perused the papers.

9. The short question that arises for consideration is whether, having regard to the allegations made in the complaint and the material collected during the course of investigation, it can be said that no offence is made out against the petitioner so as to warrant

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interference by this Court in exercise of its inherent jurisdiction.

10. It is not in dispute that the petitioner was employed as a promoter with M/s. Jio and that, in the course of such employment, he was entrusted with SIM cards belonging to the said mobile service operator for the purpose of sale to prospective customers. The defence of the petitioner is that his possession of the SIM cards was entirely lawful, being incidental to his employment, and that he had neither activated the SIM cards nor committed any act of cheating or criminal breach of trust. The petitioner further contends that the statement of CW-8, the Area Manager, supports his case that promoters are supplied only with non-activated SIM cards and that the activation process is undertaken after the SIM cards are handed over to the customers.

11. The submission, at first blush, appears to proceed on the premise that the petitioner's employment with Jio sufficiently explains his possession of the SIM cards and, therefore, excludes the possibility of any criminal conduct. However, the material placed on record requires consideration of circumstances which extend beyond the mere possession of SIM cards

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entrusted to the petitioner in the ordinary course of his employment.

12. Firstly, the prosecution alleges that the petitioner was found in possession of 55 SIM cards belonging to Jio and 20 SIM cards belonging to Vodafone. While the petitioner's employment may explain his possession of SIM cards belonging to Jio, it does not, at this stage, explain his possession of 20 SIM cards belonging to Vodafone, a mobile service operator with which he admittedly had no employment relationship. The possession of SIM cards belonging to another service provider, in the circumstances alleged, is a circumstance which requires examination and cannot be brushed aside merely on the ground that the petitioner was authorised to sell SIM cards belonging to Jio.

13. Secondly, the statement of CW-8 assumes significance. The Area Manager is stated to have clarified that the petitioner, in his capacity as a promoter, was supplied only with non-activated SIM cards and that the activation process was required to be completed in accordance with the procedure prescribed by the company. The said statement, when read alongside the allegation that the SIM

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cards recovered from the petitioner had already been activated in the names of different individuals, raises a material question as to how such SIM cards came into the possession of the petitioner and under what circumstances they were retained by him.

14. If the SIM cards were indeed activated in the names of persons who had not authorised their activation or who had no connection with the petitioner, the circumstances surrounding their activation, custody and proposed sale would require investigation and adjudication. The fact that the petitioner was authorised to sell non-activated SIM cards does not, by itself, confer authority to possess or distribute SIM cards activated in the names of third parties outside the prescribed procedure.

15. Thirdly, the memo filed before this Court furnishes particulars of persons in whose names certain SIM cards allegedly found in the possession of the petitioner had been activated. The significance of this material lies not merely in the number of SIM cards allegedly recovered, but also in the question whether the particulars of the persons in whose names the SIM cards were activated were obtained, verified and used in accordance with the prescribed procedure.

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The use of another person's Aadhaar particulars or other identification documents without lawful authority, if established, may have consequences extending beyond a mere irregularity in the sale of a SIM card.

16. The contention of the petitioner that he did not personally activate the SIM cards also cannot, in isolation, furnish a ground for quashing the proceedings. The prosecution case is required to be examined in its entirety, including the circumstances in which the SIM cards were obtained, whether the petitioner knew that they had been activated in the names of third parties, the nature of his dealings with the persons who supplied or received them, and whether he had attempted to sell them despite knowing that they had not been processed through the prescribed procedure. These are matters which require consideration of oral and documentary evidence at trial.

17. At the same time, it is necessary to clarify that the mere possession of a SIM card, or even the possession of a SIM card activated in the name of another person, would not, without more, automatically establish the commission of every

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offence alleged in the charge sheet. Each offence must satisfy its own statutory ingredients. The prosecution will have to establish the requisite dishonest or fraudulent intention, the alleged entrustment and dishonest misappropriation, where relevant, and the circumstances constituting the alleged impersonation or cheating. The ultimate determination must be made on the evidence adduced before the trial Court.

18. However, the question before this Court at the present stage is not whether the prosecution has already established the guilt of the petitioner beyond reasonable doubt. It is whether the allegations, read with the material collected during investigation, disclose circumstances which warrant examination at trial, or whether the continuation of the proceedings would amount to an abuse of the process of law.

19. The jurisdiction exercised by this Court to quash criminal proceedings is intended to prevent abuse of the process of the Court and to secure the ends of justice. It is not ordinarily exercised to conduct a detailed appreciation of disputed evidence, weigh the credibility of witnesses or determine questions which can properly be decided only after the parties have

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had an opportunity to lead evidence. Where the allegations and the material accompanying the charge sheet disclose a prima facie case requiring adjudication, the proceedings ought not to be terminated merely because the accused offers an alternative explanation for the circumstances relied upon by the prosecution.

20. In the present case, the petitioner's employment with Jio, the statement of CW-8 regarding the prescribed procedure for the distribution and activation of SIM cards, the alleged recovery of SIM cards belonging to two different mobile service operators, and the particulars of persons in whose names the SIM cards were allegedly activated, when considered cumulatively, raise questions which cannot be conclusively resolved in these proceedings. The petitioner's explanation that he merely retained SIM cards entrusted to him by his employer is a matter which may be considered by the trial Court in the light of the entire evidence.

21. There is a further dimension to the matter which cannot be overlooked. A SIM card is not merely a device for accessing a telecommunications network. It is also capable of being used as an instrument for

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establishing digital identity, receiving one-time passwords, registering online accounts, communicating with financial institutions and accessing services linked to a mobile number. Consequently, the unauthorised activation and circulation of SIM cards in the names of unsuspecting individuals may expose such individuals to identity misuse, financial fraud and other forms of cybercrime.

22. Pre-activated SIM cards, when circulated without the knowledge or consent of the persons in whose names they stand registered, may facilitate the concealment of the identity of the actual user and complicate the tracing of persons involved in unlawful activities. The potential for such misuse assumes particular significance where a substantial number of SIM cards, belonging to different service providers and allegedly registered in the names of different persons, are found in the possession of an individual whose authorised role is stated to be limited to the sale of non-activated SIM cards.

23. It is necessary, however, to distinguish between the potential misuse of such SIM cards and proof that any particular SIM card has actually been used to

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commit a further offence. No finding can be recorded in the present proceedings that the petitioner has committed cyber fraud or that the SIM cards in question have been used for any specific unlawful purpose, unless such facts are established by the evidence. The concern expressed by this Court is confined to the systemic risks arising from the unauthorised activation, retention and circulation of SIM cards and the need for adequate preventive safeguards.

24. In these circumstances, this Court is of the considered opinion that the material placed on record does not warrant quashing of the criminal proceedings. The allegations and the accompanying material require consideration at trial, where the petitioner will have the opportunity to contest the prosecution case and establish his defence in accordance with law. Nothing stated herein shall be construed as an expression of opinion on the ultimate guilt or innocence of the petitioner.

Directions concerning unauthorised activation and circulation of SIM cards

25. Before parting with the matter, this Court considers it necessary to address the larger issue which

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emerges from the facts alleged in the present case. The allegations raise concerns not merely about the conduct attributed to an individual promoter, but also about the adequacy of the systems governing the custody, distribution, activation and monitoring of SIM cards by mobile service operators.

26. The process of issuing and activating a SIM card involves the collection and verification of customer particulars and the establishment of a link between a mobile connection and the person in whose name it is registered. The reliability of this process is of considerable importance to public safety, the prevention of identity theft and the investigation of offences involving telecommunications. Any weakness in the verification or activation process may permit a mobile connection to be obtained in the name of a person who is unaware of its existence or has not consented to its activation.

27. Further, where promoters, distributors or other intermediaries are entrusted with SIM cards for commercial distribution, appropriate controls are required to ensure that the cards remain within the authorised distribution channel and are activated only in accordance with the prescribed procedure.

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The mere issuance of instructions to such intermediaries may not, by itself, be sufficient unless supported by appropriate record-keeping, supervision, verification and mechanisms for detecting deviations from the prescribed process.

28. The facts alleged in the present case, particularly the alleged possession of 75 SIM cards belonging to two different mobile service operators and the assertion that the cards had been activated in the names of different individuals, warrant examination of whether the existing safeguards are adequate to prevent the unauthorised activation and subsequent circulation of SIM cards. The matter also calls for consideration of the measures available to identify suspicious patterns of activation and to enable persons whose identification particulars have been misused to obtain timely information and seek corrective action.

29. Accordingly, the following directions are issued:

29.1. **Examination by the Director General of Police, Cyber Command:** The Director General of Police, Cyber Command, Karnataka, shall examine the larger issue of unauthorised activation and circulation of SIM cards and the potential use of such SIM cards in the

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commission of cyber-enabled offences. The examination shall include an assessment of the manner in which such practices are detected, the difficulties encountered by the investigating agencies in identifying the actual users of such connections, and the measures that may be adopted to prevent the misuse of SIM cards registered in the names of unsuspecting persons.

29.2. **Coordination with the jurisdictional police authorities:** The Director General of Police, Cyber Command, shall consider issuing appropriate instructions to the jurisdictional police authorities to ensure that credible information concerning the unauthorised activation, possession or distribution of SIM cards is examined promptly and that, wherever a cognisable offence is disclosed, appropriate action is taken in accordance with law.

29.3. The police authorities shall also consider whether instances involving multiple SIM cards allegedly activated through the use of third-party identification particulars disclose a wider pattern requiring coordinated investigation,

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subject always to the applicable legal requirements and the evidence available in each case.

29.4. **Review of safeguards by mobile service operators:** The Director General of Police, Cyber Command shall issue appropriate directions to the concerned mobile service operators, including Jio and Vodafone to the extent relevant to the facts under consideration, shall examine the adequacy of their existing procedures governing the appointment, authorisation and supervision of promoters, distributors and other intermediaries entrusted with SIM cards.

29.5. Such examination shall include the procedures governing the custody and movement of non-activated SIM cards, the authorisation of persons permitted to handle them, the recording of SIM cards issued to and returned by intermediaries, and the verification of customer particulars before activation. The operators shall also examine whether their existing systems adequately identify and

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address deviations from the authorised distribution and activation process.

29.6. **Monitoring of SIM-card inventory and activation:** The Director General of Police, Cyber Command shall issue appropriate directions to the concerned mobile service operators to examine whether appropriate systems are in place to reconcile the SIM cards supplied to promoters and distributors with the SIM cards sold, returned, cancelled or otherwise accounted for. Such systems should, to the extent technically feasible and legally permissible, facilitate the identification of unexplained discrepancies between SIM cards issued to an intermediary and those subsequently activated or otherwise disposed of.

29.7. The operators to also review the adequacy of their internal controls for detecting activation patterns that warrant further verification, including repeated or unusual activation activity associated with a particular intermediary, point of sale or distribution channel. Any such review shall be undertaken in accordance with

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applicable telecommunications requirements and shall not dispense with the need for verification of the relevant facts before adverse action is taken against any individual.

29.8. **Verification of customer particulars and prevention of identity misuse:** The Director General of Police, Cyber Command shall issue appropriate directions to the concerned mobile service operators to examine whether their existing customer-verification procedures adequately guard against the use of identification particulars without the knowledge or authorisation of the persons concerned. Appropriate safeguards shall be maintained to ensure that activation is undertaken only in accordance with the applicable customer-verification requirements.

29.9. Where an operator becomes aware, through a lawful and sufficiently reliable process, that a SIM card may have been activated using another person's particulars without authority, the operator shall consider the appropriate verification, correction and remedial measures

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permissible under the applicable legal framework.

29.10. Mechanism for customer complaints and corrective action: The Director General of Police, Cyber Command shall issue appropriate directions to the concerned mobile service operators to examine whether customers have an accessible and effective mechanism to report suspected unauthorised activation of SIM cards in their names. The mechanism should enable complaints to be recorded, verified and acted upon within a reasonable period, in accordance with applicable law.

29.11. The operators shall also consider appropriate means of informing affected customers of confirmed unauthorised activations and of facilitating necessary corrective action, including the rectification of inaccurate records and the prevention of further misuse, subject to the applicable legal and regulatory requirements.

29.12. Awareness and accountability of authorised intermediaries: The Director General of Police, Cyber Command shall issue appropriate

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directions to the concerned mobile service operators to consider strengthening the instructions and training provided to promoters, distributors and other authorised intermediaries concerning the permitted handling, sale and activation of SIM cards. Such instructions should clearly identify the limits of the intermediary's authority, the prescribed procedure for transferring SIM cards to customers, and the consequences of unauthorised activation, retention or distribution.

29.13. The operators shall also examine whether their existing supervisory and accountability mechanisms are adequate to detect and address departures from the prescribed procedure, without compromising the rights of employees, promoters or distributors against whom allegations have not been established.

29.14. **Compliance with applicable law:** All measures considered or implemented pursuant to these directions shall be consistent with the applicable telecommunications legislation, directions and regulations, as well as the legal

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requirements governing the collection, verification, retention, use and disclosure of customer identification particulars. Nothing in these directions shall be construed as authorising indiscriminate surveillance, unrestricted access to customer data or disclosure of personal information otherwise than in accordance with law.

29.15. **Preventive character of the directions:** The above directions are issued with a view to encouraging appropriate preventive measures and strengthening institutional safeguards against the unauthorised activation and circulation of SIM cards. They shall not be construed as a finding that the petitioner is guilty of the offences alleged, nor as a determination that the SIM cards referred to in the charge sheet were used to commit any further offence.

29.16. The competent authorities and the concerned mobile service operators shall take such steps as fall within their respective statutory and regulatory powers. The present directions shall not be understood as requiring the adoption of

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any measure prohibited by law or as displacing the powers and responsibilities of the authorities under the applicable legal framework.

30. In view of the foregoing, the criminal proceedings do not warrant interference by this Court at this stage.

31. In that view of the matter, this Court passes the following:

ORDER

i) No grounds being made out, Criminal petition stands ***dismissed***.

ii) Though the above petition is dismissed, relist on 27.11.2026 to report compliance by the Director General of Police, Cyber Command. Learned HCGP to inform the Director General of Police, Cyber Command of the above order.

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(SURAJ GOVINDARAJ)
JUDGE

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