



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 27TH DAY OF MAY, 2025

BEFORE

THE HON'BLE MR JUSTICE MOHAMMAD NAWAZ

CRIMINAL PETITION NO. 3429 OF 2023

(482(Cr.PC) / 528(BNSS))

BETWEEN:

PUNEETH H.R.
S/O LATE RANGASWAMY H.S.,
AGED ABOUT 34 YEARS,
RESIDING AT NO.C-204,
4TH FLOOR, SAI VAIBHAV APARTMENT,
DODDABEL ROAD, KENGERI,
BENGALURU-560 060.

...PETITIONER

(BY SRI. PAVANA CHANDRA SHETTY H., ADVOCATE)

AND:

1. STATE OF KARNATAKA
BY ITS UPPARPET POLICE STATION,
BENGALURU,
NOW TRANSFERRED TO
LAKAYUKTA POLICE,
BENGALURU.
REP: BY SPECIAL PUBLIC PROSECUTOR
FOR LOKAYUKTA,
BENGALURU-560 001.
2. PRAMOD KUMAR Y.S.
FATHER NAME NOT KNOWN,





AGED ABOUT 37 YEARS,
WORKING AS A
ASSISTANT GENERAL MANAGER AND
BRANCH HEAD OF IDBI BANK LIMITED,
GANDHINAGAR BRANCH,
BENGALURU-560 009.

...RESPONDENTS

(BY SMT. RASHMI PATEL, HCGP FOR R-1;
SRI. ASHOK HARANAHALLI, SENIOR COUNSEL FOR
SMT. VINITHRA SRINIVASAN, ADVOCATE AND
SRI. VARUN SRINIVASAN, ADVOCATE FOR R-2)

THIS CRL.P IS FILED U/S.482 CR.P.C PRAYING TO A) QUASH THE FIR IN CRIME NO.1/2023 REGISTERED BY THE UPPARPET POLICE STATION, BENGALURU AND LATER TRANSFERRED TO THE LOKAYUKTA POLICE, BENGALURU WHICH IS NOW PENDING ON THE FILE OF THE COURT OF XXIII ADDL. CITY CIVIL AND SESSIONS JUDGE, SPECIAL JUDGE, BENGALURU CITY FOR THE OFFENCE PUNISHABLE UNDER SECTIONS 419, 465, 468, 471 AND 120B R/W SECTION 34 OF IPC, SECTION 66 OF I.T.ACT, 2000 AND SECTION 13(1)(2) OF PREVENTION OF CORRUPTION ACT, 1988, PRODUCED HEREWITH AS DOCUMENT NO.1; B) ALLOW THIS CRIMINAL PETITION WITH COSTS THROUGHOUT; C) QUASH THE CHARGE SHEET FILED BY THE RESPONDENT NO.1 POLICE IN SPL.C.C.NO.1008/2023 BEFORE THE COURT OF THE XXIII ADDL. CITY CIVIL AND SESSIONS JUDGE AND SPL. JUDGE FOR PREVENTION OF CORRUPTION ACT AT BENGALURU CITY, CCH-24 (CRIME NO.1/2023) PRODUCED HEREWITH AS DOCUMENT NO.7.

THIS CRIMINAL PETITION HAVING BEEN HEARD AND RESERVED FOR ORDERS ON 26.04.2025, COMING ON FOR PRONOUNCEMENT THIS DAY, THE COURT MADE THE FOLLOWING:



CORAM: HON'BLE MR JUSTICE MOHAMMAD NAWAZ

CAV ORDER

This petition is preferred under Section 482 of Cr.P.C. seeking to quash the FIR in Crime No.1/2023 registered at Upparpet Police Station, Bengaluru, pending on the file of XXIII Additional City Civil and Sessions Judge, Special Judge, Bengaluru City.

2. By way of amendment application, petitioner has sought to quash the charge sheet filed in Spl.CC.No.1008/2023 for offences punishable under Sections 403, 406, 408, 409, 419, 420, 465, 468, 471, 120(b) read with Section 34 of IPC, Section 66 of Information Technology Act, 2000 (for short 'I.T. Act') and Section 13(1)(2) of Prevention of Corruption Act, 1988, (for short 'PC Act').

3. Brief facts: One Pramod Kumar Y.S., working as Assistant General Manager and Branch Head of IDBI Bank Ltd., lodged a complaint alleging misappropriation of funds by Smt. Sajila Gurumurthy (accused No.1) Manager, IDBI



Bank Ltd., based on which the aforementioned FIR was registered against the said accused for the offence punishable under Section 409 and 420 of IPC.

4. It is alleged in the complaint that at the instance of Smt. Sajila Gurumurthy, who was earlier posted as Relationship Manager with Gandhinagar Branch, Bengaluru, certain unauthorized transfer of funds have taken place from the accounts of certain customers from 23.03.2022 to 26.12.2022. Further, some of the customers' accounts were debited for various amounts without their mandate and the fraudulent transactions occurred on various dates and the amounts so debited were transferred to other customers accounts of the Bank, amounting approximately Rs.2.72 Crores.

5. It is alleged in the complaint that, Smt. Sajila Gurumurthy has in writing confessed that she had booked LIC polices for some customers of the Bank by debiting the amounts from the accounts of other customers, without their authorization and she has submitted a hand written



record of such unauthorized transactions, mentioning the names of such LIC policy holders etc.

6. A preliminary investigation and internal audit of the unauthorized transactions were said to have been conducted and it is stated in the complaint that, further details of the unauthorized/fraudulent transactions and the amounts involved would be furnished, once the internal audit/investigation are concluded.

7. Further complaint/information was given to the Investigation Officer furnishing the details, requesting to take necessary action against Sajila Gurumurthy, Deepti Koppolu and Pallavi. D. R., alleging they have defrauded the Bank and committed criminal breach of trust by fraudulently misappropriating around Rs.22.04 crores, as on 04.02.2023.

8. It is alleged that, during further enquiry, it was found that, Smt. Sajila Gurumurthy with the help of the branch staff Smt. Deepti Koppolu (Customer Service Executive) and Smt. Pallavi D.R. (Outsourced Sales



Executive) have misused the customers accounts without their mandate for transactions like cheque, voucher, request letter etc., and fraudulently modified/removed customers mobile number and their e-mail ids' so that customer do not get transaction alert. It is further alleged that, after Sajila Gurumurthy got transferred to Mission Road branch, fraudulent transactions were carried by Deepti Koppolu as directed by her, and the said Deepti Koppolu sent forged account statements to customers on various occasions to hide their illegal transactions and Smt. Pallavi carried out fraudulent transactions and made LIC polices in the name of her relatives etc. Further, the amount was fraudulently credited to the beneficiaries and a sum of Rs.96.00 lakhs was fraudulently transferred to various bank accounts of Gurumurthy, husband of Sajila. Further, around Rs.4.7 Crores was fraudulently transferred to the IDBI accounts of Thyagaraju B.P., Somu B.P., Maruthi B.P., and Thyagaraju B.P. accepted the said fraudulent transactions and remitted a sum of Rs.2.25 Crores.



9. It is also alleged that after the amount was fraudulently credited to the beneficiary, around Rs.3.37 Crores was transferred through RTGS/NEFT to various bank accounts of the petitioner, Puneeth H. R.

10. Petitioner is arraigned as accused No.4 in the charge sheet. The grounds urged by the learned counsel for the petitioner for quashing the FIR and charge sheet are as under:

(i) Petitioner is not an employee of the Bank, but he is an account holder of the Bank since 2017. He is an employee of Value Cart Pvt. Ltd., and he opened the account for the sole purpose of receiving his salary and for conducting personal transactions.

(ii) The complaint was lodged exclusively against one Smt. Sajila Gurumurthy, then Branch Manager. Petitioner is not arraigned as an accused in the FIR and there are no allegations against him. He was subsequently falsely implicated and arraigned as accused No.4, while filing the charge sheet.



(iii) The ingredients of the offences alleged are not made out against the petitioner. There is no fiduciary relationship between the Bank and the petitioner and no entrustment of the property. There is no inducement, cheating or fraudulent act committed by the petitioner and no evidence regarding conspiracy exists.

(iv) The allegations in the complaint, even if taken at face value, do not disclose any offence against the petitioner. No material linking the petitioner has been collected during investigation. None of the witnesses speak against the petitioner and the charge sheet suffers from multiple legal infirmities. The investigation report fails to delineate the petitioner's specific involvement in the alleged offence.

(v) Petitioner is a private individual and not a public servant and therefore, the offences under the PC Act, 1988 and IT Act, 2000 are not applicable to him. Even if there is any banking irregularity, the same would



constitute a civil or commercial act and not a criminal offence.

11. The learned counsel would also contend that several persons named in the complaint including the husband of accused No.1 are not arraigned as accused in the charge sheet, whereas, the petitioner has been targeted with malafide intention and without basis. He therefore, contended that continuation of criminal proceedings against the petitioner amounts to abuse of process of law.

12. The learned counsel for petitioner has relied on a decision of the Hon'ble Apex Court in ***TUSHARBHAI RAJNIKANTBHAI SHAH vs. KAMAL DAYANI AND OTHERS*** reported in **(2025) 1 SCC 753** to contend that the confession made by the accused before the police officer is inadmissible in evidence and cannot form a part of the record or the charge sheet.

13. Relying on a decision in ***JOSEPH SALVARAJ A. vs. STATE OF GUJARAT AND OTHERS*** reported in **(2011)**



7 SCC 59 the learned counsel contended that when the transaction discloses a civil dispute between the parties, criminal proceedings would lead to harassment and humiliation, which cannot be permitted to continue.

14. Relying on a decision in **NARESH ANEJA ALIAS NARESH KUMAR ANEJA vs. STATE OF UTTAR PRADESH AND ANOTHER** reported in **(2025) 2 SCC 604**, the learned counsel has contended that in the absence of prima-facie materials or even if the allegations are taken at their face value and accepted in their entirety, do not prima-facie constitute any offence or make out any case, complaint has to be quashed. Further, to establish *mens rea*, something better than vague allegations must be produced.

15. Relying on a decision of the Hon'ble Apex Court in **A. M. MOHAN vs. THE STATE REPRESENTED BY SHO AND ANOTHER** reported in **(2024) 3 S.C.R. 722**, it is contended that to attract the provision of Section 420 of



IPC, the FIR must show that the ingredients of Section 415 of IPC are made out.

16. Respondent No.2/defacto complainant has filed statement of objections. The learned senior counsel appearing for respondent No.2 has contended as under:

17. During routine scrutiny by the Zonal Vigilance Department of IDBI Bank, irregular transactions were observed at Mission Road Branch, where several entries in customers account were found without voucher and customers authentication. As per preliminary investigation by the Bengaluru Zonal Office, transaction had been executed without debit authorization in the accounts of several customers at Mission Road and Gandinagar branches of IDBI Bank. It was found that accused No.1, Smt. Sajila Gurumurthy prematurely closed fixed deposits of customers without their consent/authorization and diverted the proceeds to unrelated third party accounts. She fraudulently arranged LIC policies in the names of third parties by debiting from customers accounts without



their knowledge or consent. The inquiry also revealed the involvement of accused No.2, customer service executive and accused No.3, an outsourced sales executive, who acted in connivance with accused No.1. The funds fraudulently debited from customers were transferred to the accounts belonging to the relatives of accused No.3 and LIC policies worth several Crores were fraudulently created in their names etc.

18. The learned Senior counsel further contended that during bank's investigation, it was found that the petitioner received a total of Rs.3,80,13,122.37/- through RTGS/NEFT into his various bank accounts, directly from the proceeds of fraudulent transaction. The account holders including B.P.Somu, Thyagaraju B.P., Sarojini Kheny, Valli Mutthaiah, and Achamma Samuel, have given written complaint stating that some suspicious transactions have taken place in their account without their consent. The aforesaid amount was transferred to the account of the petitioner, without their consent and



knowledge. Further, all the transactions to the petitioner's other bank accounts were illegally made by accused Nos.1 to 3 in connivance with the petitioner. Out of the huge amount misappropriated, more than Rs.3.80 Crores was illegally transferred from the accounts of other account holders to the account of the petitioner maintained with other banks. During investigation the original sale deeds and a white colour BMW car were seized from the petitioner under PF.No.21/2023 dated 20.02.2023 and PF.No.22/2023 dated 21.02.2023. The said transactions / purchase was made from the amount obtained fraudulently. It is contended, petitioner has misutilized the amount credited to his accounts illegally, for his personal use.

19. The learned Senior counsel further contended that there are serious allegations against the petitioner and the FIR and charge sheet materials disclose prima-facie case against him and therefore, sought to dismiss the petition.



20. The learned Senior counsel for respondent No.2 has relied on the following citations:

i) Anil Bhavarlal Jain and Others vs. The State of maharashtra (MANU/SC / 1390/2024, decided on 20.12.2024

ii) Prabatbhai Aahir @ Parbatbai Bhimsinhbhai karmur and Others vs. State of Gujarat (MANU/SC/1241/2017), decided on 04.10.2017.

iii) Pradeep Nirankarnath Sharma vs. Directorate of Enforcement & Another in Special (Criminal)No.6485/2023 decided on 17.03.2025.

iv) Pratap Sing vs. State of Uttar Pradesh (MANU/UP/1195/2021) decided on 25.08.2021.

v) Suvarna Cooperative Bank vs. State of Karnataka (MANU/SC/1213/2021) decided on 09.12.2021.

vi) Somjeet Mallick vs. State of Jharkhand and Others (MANU/SC/1102/2024) decided on 14.10.2024.



vii) Jitendra Nath Mishra vs. State of Uttar Pradesh and Another in Criminal Appeal No.978/2022, decided on 02.06.2023.

viii) Randeep Singh and Others vs. State of Haryana and Others (MANU/SC/1243/2024), decided on 22.11.2024.

ix) Dinesh Sharma vs. Emgee Cables and Communication Ltd., and Another - Special Leave to Appeal(Crl.)Nos.10744-10745/2023 dated 23.04.2025.

21. The learned High Court Government Pleader appearing for State has contended that as per investigation, petitioner/accused No.4 has connived with accused No.1 to 3 and fraudulently got transferred sum of Rs.3,35,13,122.37/- to his ICICI bank account No.007801533225 and IDFC bank account No.10115996824. She contended investigation was taken over by the CCB and further investigation against others involved is under progress under Section 173(8) of Cr.P.C. (Section 193 of BNSS, 2023). She contended that the



involvement of the petitioner is clearly made out during investigation and in view of *prima-facie* case, proceedings against the petitioner cannot be quashed.

22. One of the main contentions raised by the learned counsel for the petitioner is that, name of the petitioner is not in the FIR and he being an innocent account holder/customer of the bank has been unnecessarily targeted, though certain other persons named in the FIR were not charge sheeted. It is also the contention of the learned counsel that petitioner is not an employee of the bank and he has no control over the transactions or any money being credited to his account and therefore, the petitioner is innocent of the alleged offence and the ingredients of the offences alleged in the FIR/charge sheet are not made out against the petitioner.

23. It is not in dispute that the FIR was registered against one Smt.Sajila Gurumurthy, working as then Manager, IDBI bank Ltd., alleging misappropriation of funds of the bank. The law was set into motion by the



Assistant General Manager and branch head of IDBI bank Ltd., Gandhinagar Branch. It is clearly stated in the complaint that further details would be furnished, when the internal audit or investigation are concluded.

24. In the subsequent information/ complaint dated 07.02.2023, it is clearly stated that during enquiry it was revealed that amount was fraudulently credited to the beneficiary and around Rs.3.37 Crores was transferred through RTGS/NEFT to the various bank accounts of the petitioner.

25. On completion of investigation, police have filed charge sheet. The investigation revealed that accused Nos.1 in active collusion with accused Nos.2 and 3 and in connivance with the petitioner / accused No.4, transferred a total sum of Rs.3,35,13,122.37/- from the IDBI bank accounts, Gandhinagar branch of different account holders and the deposit made by the customers, to the ICICI bank account number 007801533225 and IDFC bank account No.10115996824 belonging to the petitioner. As per



prosecution, petitioner has utilized the proceeds of the crime to purchase immovable properties and a BMW car bearing registration No.KA-51-MU-3335. The original sale deeds and documents have been seized under a panchnama in the presence of the witnesses.

26. As per charge sheet, petitioner/accused No.4 a customer of IDBI bank holding account number 0551104000173933, developed a personal relationship with accused No.1 and claiming a need for Rs.4.00 crores to facilitate a land purchase, offered illegal gratification to her in exchange for bypassing standard loan procedures. Accused No.1, upon failing to secure a legitimate loan, with support from accused Nos.2 and 3, commenced unauthorized debits from high network customer accounts, transferring the proceeds to the benefit of petitioner/accused No.4.

27. Prosecution has collected materials to show that the petitioner has utilized the funds to purchase residential flats and a luxury vehicle. The acquisition of these



properties, as per investigation, have been traced and verified as assets purchased using the defrauded funds.

28. At this stage it cannot be said that there is no prima-facie case against the petitioner or the ingredients of the offences alleged are not made out. It is not in dispute that the further investigation is pending. Hence, not arraigning some of the other persons named by the complainant as accused in the charge sheet is not a ground to quash the proceedings against the petitioner. The learned High Court Government Pleader has contended that the further investigation is pending to verify the involvement of other persons in the fraudulent transactions.

29. I have perused the various decisions cited by the learned senior counsel appearing for Respondent No.2. The Hon'ble Apex Court has held that criminal proceedings involved in economic offences, having serious implications on the society should not be quashed at the threshold. In *Pratap Singh (supra)*, it is held that where a non public



servant in collusion with public servants, is alleged to have committed offences causing wrongful loss to the public and wrongful gain to themselves, or if such non public servant has abetted any of the offences which the public servant commits, such non-public servant is also liable to be tried jointly with public servant.

30. Mere absence of an accused persons name in the initial complaint does not, by itself, absolve them of criminal liability. An accused whose involvement surfaces during the course of investigation may subsequently be added to the charge sheet. This legal proposition is well settled. The petitioner's involvement emerged during investigation and therefore, he cannot claim protection solely on the ground that his name did not appear in the original complaint. As per investigation, it was discovered that funds from various sources were credited to the petitioner's accounts, which was utilized by him to purchase movable and immovable properties.



31. Having perused the material on record, it cannot be said that there is no *prima facie* case against the petitioner or the ingredients of the offence alleged against the petitioner are not made out. Hence, the following:

ORDER

Petition is **dismissed**.

Observations made in this order are confined to the disposal of the petition.

Sd/-
(MOHAMMAD NAWAZ)
JUDGE