



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 30TH DAY OF JUNE, 2026

BEFORE

THE HON'BLE MR. JUSTICE RAVI V HOSMANI

CRIMINAL PETITION NO. 800 OF 2020

BETWEEN:

SHRI G.K. MANJUNATH
S/O LATE H G KRISHNAPPA,
AGED ABOUT 55 YEARS,
NO.557, 20TH CROSS ROAD,
AMRUTHANANDAMAYI ASHRAM ROAD,
MARIYAPPANA PALYA
JHANABHARTHI POST,
BANGALORE - 560 056.

...PETITIONER

(BY PARAMESHWAR N HEGDE, ADVOCATE)

AND:

- 1 . STATE BY CUBBON PARK POLICE
REPRESENTED BY SPP
HIGH COURT OF KARNATAKA
BANGALORE
- 2 . SRI BHARATHA KUMAR A N
S/O NARAYANAPPA
AGED ABOUT 35 YEARS,
DEPUTY MANAGER
NO.3, YES BANK LTD.,
GROUND FLOOR, PRESTIGE OBELISK
KASTURBHA ROAD, BANGALORE - 01.

...RESPONDENTS

(BY SMT. SOWMYA R. HCGP FOR R1;
SRI FRANCIS XAVIER, ADVOCATE FOR R2)

Digitally signed
by ANUSHA V
Location: High
Court of
Karnataka



THIS CRL.P IS FILED U/S.482 CR.P.C PRAYING TO QUASH THE FIR IN CR.NO.88/2019 REGISTERED FOR THE OFFENCE P/U/S 420, 465 AND 468 OF IPC ON THE FILE OF THE CUBBON PARK P.S. IN SO FAR AS PETITIONER IS CONCERNED.

THIS PETITION IS COMING ON FOR *Dictating Orders*, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE RAVI V HOSMANI

ORAL ORDER

Challenging FIR in Crime no.88/2019 registered by Cubbon Park Police Station, Bengaluru, for offences punishable under Sections 420, 465 and 468 of Indian Penal Code, 1860 (**IPC**), this petition is filed by accused no.3.

2. Sri Parameshwar N. Hegde, learned counsel for petitioner submitted that a complaint was filed by respondent no.2 - Sri AN Bharath Kumar authorized representative of YES Bank (**Bank**), stating that by application dated 03.03.2017, Yatisha KJ - accused no.1 as borrower and Smt.Veenashri - accused no.2 as co-applicant approached Bank for construction of house and purchase of site no.21, assessment no.24/1, VP Khata no.49, Kengeri Hobli, Bengaluru-560 056 (**Site**) from GK Manjunath (accused no.3, hereinafter '**petitioner**'). For which they had submitted required documents. After scrutiny, Bank



sanctioned and disbursed loan of Rs.50 Lakhs vide loan A/c.no.HLN002200165724 with tenure of 20 years by creating equitable mortgage over Site.

3. It was stated that loan was repaid in monthly EMIs. Verification after default in payment of EMIs revealed that accused were residing elsewhere and had borrowed loan from various other financial institutions by mortgaging very same Site. Immediately, Bank initiated recovery proceedings and sought to take possession of Site, when one Nijalingappa informed it that said Site was purchased by him from Dhanalakshamma on 07.04.1999. Despite attempts, accused did not come forward to offer explanation. Thus, it was evident that with malafide intention and fraudulent transaction, without title over Site, petitioner colluded with accused no.1 and 2 created title documents and caused wrongful loss to Bank.

4. It was further alleged collusion between accused was demonstrated by fact that accused had furnished Axis Bank statement of Proprietorship Firm - 'PL Enterprises' from 01.04.2016 to 06.03.2017 to show his ability to contribute 25% of value of property for availing loan from Bank. Detailed



investigation revealed payment of Rs.16 Lakhs by accused no.1 to petitioner from funds received through M/s. Sri Vaibhava Sauharda Pattina Sahakari Niyamita (**Society**) on 04.03.2017 and Rs.8 Lakhs received through Sohan Enterprises in two tranches of Rs.4 Lakhs each on 04.03.2017 and 06.03.2017.

5. Upon further review of statement of accounts of petitioner, amount aggregating to Rs.20 Lakhs was paid to Society (Rs.16 Lakhs) and Sohan Enterprises (Rs.4 Lakhs) out of loan amount dispersed to accused no.1 and petitioner had repaid Rs.4 Lakhs to Sohan Enterprises immediately on 06.03.2017. Above flow of money or money trail establishes collusion between accused to defraud complainant-Bank. Complainant alleged accused had acted with criminal *mens rea* from very inception, concealed material facts relating to ownership and title of Site, submitted fabricated documents and induced Bank to part with a sum of Rs.50 Lakhs and thereby committed offences of cheating, criminal conspiracy, forgery, use of forged documents and criminal breach of trust causing wrongful loss to Bank and corresponding wrongful gain to themselves and sought detailed investigation. Complaint was registered as Crime no.88/2019 by Cubbon Park Police Station,



Bengaluru for offences punishable under Sections 420, 465 and 468 of IPC against accused.

6. Sri PN Hegde, learned counsel for petitioner submitted there was absolutely no basis for offences against petitioner, who had only sold Site to accused no.1 and 2 and was not a party to their transaction with Bank and hence cannot be liable for any offences. It was submitted, Dhanalakshamma was in fact mother of petitioner and sold property sites no.7 and 8 formed in property no.24/1 to Nijalingappa on 07.04.1992, whereas site sold to accused no.1 and 2 was site no.21. Therefore, both sites were different and distinct.

7. It was submitted, Site was also part of same revenue layout and under registered Partition Deed dated 15.03.2014 fallen to share of petitioner and sold to accused no.1 and 2 and there was no dispute about its title. Only to harass petitioner, bald accusations have been made by complainant. It was submitted since petitioner had no direct contact with Bank and there is no entrustment of property and there was also no departmental enquiry done by Bank, learned



counsel for petitioner submits petitioner has been falsely implicated in this case and investigation may go on against accused no.1 and 2 and sought for allowing petition.

8. On other hand, learned HCGP for respondent no.1- State opposed petition and submitted entire contentions urged were matters for investigation and trial and sought for dismissal.

9. Sri Francis Xavier, learned counsel for Bank also opposed petition. It was submitted for purpose of illegal gain and with fraudulent/dishonest intention to cheat Bank, accused had created forged documents obtained loan and thereafter defaulted in repayment. It was submitted, accused no.1 and 2 purchased Site from petitioner. It was submitted sale of sites no.7 and 8 by Smt.Dhanalakshamma (mother of petitioner) to Nijalingappa in 1999 was not disputed. Petitioner forged documents and showing Site no.21 sold it to accused no.1 and 2. Clear case of collusion between accused was established by fact that loan amount disbursed to petitioner was transferred to accused no.1 and 2 as well as to Society which had lent them money towards their contribution. It was submitted, there were



serious allegations against petitioner based on sufficient material and matter required investigation. Due to interim order granted in this petition investigation was stalled and prayed for dismissal of petition.

10. Heard learned counsel and perused material on record.

11. Thus, registration of FIR against petitioner and others for offences punishable under Sections 420, 465 and 468 of IPC is challenged insofar as petitioner.

12. It is settled law in a challenge of FIR, Courts would be confined to finding out whether FIR does not disclose commission of cognisable offence without anything being added or subtracted from recitals therein. In ***State of A.P. v. Golconda Linga Swamy*** reported in **(2004) 6 SCC 522**, it is clarified that FIR is not intended to be an encyclopaedia of background scenario and yet even skeletal features must disclose commission of an offence.

13. Allegations in complaint are that borrower and co-applicant i.e., accused no.1 and 2 had submitted declaration that they will not sell, mortgage, lease or alienate Site and that



they agreed to pay monthly instalments after availing loan but defaulted and visit to their address revealed that they had shifted and that they had borrowed loan from various financial institutions who were also enquiring about them. And failure of accused to offer clarification when approached by Bank, leading to assumption that Bank was cheated.

14. Insofar as Petitioner, allegation against is that *without holding title over Site, Petitioner colluded with accused no.1 and 2 with malafide intention to create fraudulent transactions and documents to show that he is owner of property which resulted in wrongful loss to Bank.* And transactions/transfers of money by Petitioner to Society and accused no.1 revealing collusion between them.

15. Thus, basis for allegation of offences are i) accused no.1 and 2 committed default in repayment of loan; ii) they changed their address; iii) information received during enquiry at their address revealed that they had borrowed loans from various financial institutions, who were also visiting address; iv) claim by one Nijalingappa that he had purchased property from Dhanalakshamma; v) failure by accused no.1 and 2 to offer



explanation and vi) money flow revealing collusion between accused.

16. FIR is registered for offences punishable under Sections 420, 465 and 468 of IPC against accused.

- i. Offence under Section 420 of IPC arises in case of dishonest inducement to deliver property.
- ii. And under Section 465 of IPC in case of creation of false document with intent to cause damage or commit fraud on a person.
- iii. And under Section 468 of IPC where document is forged with intent of cheating.

17. On other hand, Petitioner contends that he has no transactional relationship with Bank and therefore there would be no basis for allegation of dishonest or fraudulent intention on his part qua Bank.

18. For want of direct transaction between Petitioner and Bank, allegation of dishonest inducement to deliver property cannot sustain qua petitioner. There is no specification of document forged, however, there is allegation that said forgery is with intent to cheat Bank. Further, Hon'ble Supreme Court in case of ***Mohd. Ibrahim v. State of Bihar***, reported in **(2009) 8 SCC 751**, on an analysis of offences of forgery cheating in context of execution of sale deed held:



"23. When we say that execution of a sale deed by a person, purporting to convey a property which is not his, as his property, is not making a false document and therefore not forgery, we should not be understood as holding that such an act can never be a criminal offence. If a person sells a property knowing that it does not belong to him, and thereby defrauds the person who purchased the property, the person defrauded, that is, the purchaser, may complain that the vendor committed the fraudulent act of cheating. ***But a third party who is not the purchaser under the deed may not be able to make such complaint."***

(emphasis supplied)

19. Indisputably sale deed executed by Petitioner is in favour of accused no.1 and 2. Only documents executed in favour of Bank are loan agreement and mortgage deed, which are by accused no.1 and 2 and not by Petitioner.

20. Bank has sought to arraign Petitioner by alleging that without title over Site, Petitioner in collusion with accused no.1 and 2 created documents/record to show that he had title over Site and executed sale deed with knowledge that same was being used by accused to obtain financial assistance from Bank. Whether, allegation of creation of documents and lack of title over Site based only on claim by Nijalingappa informing Bank that he had purchased sites no.7 and 8 from Dhanalakshamma (who incidentally is Petitioner's mother) and Petitioner executed sale deed in respect of Site no.21,



would sustain, though substantial and doubtful, would be defence and cannot be considered in this petition.

21. However, on ground that Bank would be third party to sale deed, based on which accused no.1 and 2 obtained loan from Bank, proceedings against Petitioner would be unsustainable. As held in **Mohd. Ibrahim's case (supra)**, allegations of dishonest intention and collusion between accused can be made only by party to sale deed, i.e. accused no.1 and 2 against Petitioner their vendor.

22. Consequently, petition is **allowed**, FIR in Crime no.88/2019 registered by Cubbon Park Police Station, Bengaluru, for offences punishable under Sections 420, 465 and 468 of IPC and all proceedings pursuant thereto are quashed insofar as Petitioner-accused no.3 only. All contentions and remedies of Bank are kept open qua accused no.1 and 2.

Sd/-
(RAVI V HOSMANI)
JUDGE

YKL, AV
List No.: 1 SI No.: 65