



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 18TH DAY OF JUNE, 2026

BEFORE

THE HON'BLE MR. JUSTICE RAVI V HOSMANI

WRIT PETITION NO. 6070 OF 2022 (GM-RES)

BETWEEN:

CARLISLE TRADING AND MANUFACTURING
INDIA PRIVATE LIMITED
REGISTERED OFFICE AT PLOT NO. A9
SIPCOT INDUSTRIAL ESATE,
PILLAIPAKKAM, SRIPERMUBUDUR
CHENNAI - 602 105
REPRESENTED BY ITS DIRECTOR
SRINIVASAN SRIRAM.

...PETITIONER

(BY SRI. S. SUDHARSAN, ADVOCATE)

AND:

1. STATE OF KARNATAKA
BY HANUMANTHANGAR
POLICE STATION, BANGALORE
KARNATAKA - 560 019
REPRESENTED BY THE PUBLIC PROSECUTOR.
2. PHANEENDRANATH M.S.
S/O LATE M.S. SRINIVASA RAO
AGED ABOUT 49 YEARS
NO. 1571, 5TH A CROSS
BANASHANKARI 1ST STAGE
BANGALORE - 560 050.

...RESPONDENTS

(BY SRI. CHANNAPPA ERAPPA, HCGP FOR R1;
SRI. PRASHANT POPAT, ADVOCATE FOR R2 (ABSENT))

THIS W.P. IS FILED UNDER ARTICLE 226 OF THE
CONSTITUTION OF INDIA R/W SEC. 482 OF CR.P.C PRAYING



TO-QUASH THE FIR DTD 13.02.2022 BEARING CRIME NO.0035/2022, REGISTERED IN HANUMANTHANAGAR POLICE STATION, BANGALORE FOR OFFENCES PUNISHABLE UNDER SECTIONS 406 AND 420 OF THE INDIAN PENAL CODE, 1860 (IPC) PENDING ON THE FILE OF THE IV ADDITIONAL CHIEF METROPOLITAN MAGISTRATE COURT, BANGALORE, AND ALL PROCEEDING ARISING THERETO, VIDE ANNEX-B AND ETC.,

THIS PETITION, COMING ON FOR PRELIMINARY HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:
CORAM: HON'BLE MR. JUSTICE RAVI V HOSMANI

ORAL ORDER

Challenging registration of Crime no.35/2022 registered by Hanumanthanagar Police Station, Bengaluru, for offences punishable under Sections 406 and 420 of Indian Penal Code, 1860 (*IPC*), presently stated to be complaint (Annexure-B), pending on file of IV ACMM Court, Bengaluru as well as order no.HNPS/CRM/35/2022 dated 04.03.2022 issued by respondent no.1 as per Annexure-C and seeking for direction to de-freeze petitioner's Bank Account, this petition is filed.

2. Sri S.Sudharsan, learned counsel for petitioner submitted that petitioner is a registered Company and it is arraigned as accused no.3 in complaint filed by respondent no.2. It was submitted that as per complaint averments, respondent no.2-complainant was an employee of petitioner-



Company with one Mr.Natarajan, Director of petitioner - Company and Reporting Manager of complainant, That in year 2014 Mr.Natarajan had sought loan of Rs.5,00,000/- from complainant and assuring to return it within four months, but failed. Further, said Mr.Natarajan had also established one M/s.RIO Enterprises by showing one Mr.Kamarashan as Proprietor, but Natarajan was managing entire affairs of M/s.RIO Enterprises - accused no.2.

3. It was alleged that petitioner-Company was due a sum of Rs.6 Crores to some other Company and by impressing upon complainant if same is not paid, complainant as well as accused no.1 would lose their job, had sought loan of Rs.1 Crore from complainant and also impressed upon complainant that said money would be returned immediately after receipt of money by sale of manufactured goods. Due to same, complainant had borrowed money and transferred same to account of accused no.2. He later came to know that said money was transferred by M/s.RIO Enterprises to Company's account.



4. Alleging that Mr.Natarajan had failed to repay and cheated complainant, complaint was filed. It was submitted that entire complaint did not establish any role of complainant, Company or Natarajan having acted on behalf of Company. It was submitted there were no allegations as would substantiate ingredients either for offences under Sections 406 or 420 of IPC, as alleged. It was submitted that complaint alleging offences under Section 406 and 420 of IPC could not sustain against a person simultaneously.

5. Apart from same, insofar as order at Annexure-C, it was submitted that without violating procedure and in violation of ratio laid down by High Court of Uttarakhand in case of ***Mohd. Rizwan Ansari v. Ansari and others***, reported in ***2021 SCC OnLine UH 507***, it was submitted order at Annexure-C would not sustain and prayed for allowing petition.

6. Sri Channappa Erappa, learned High Court Government Pleader for respondent-State opposed petition. None appears for respondent no.2 - complainant.

7. Heard learned counsel. Perused material on record.



8. This petition is by accused no.3 in Crime no.35/2022 registered for offences punishable under Sections 406 and 420 of IPC as well as challenging order passed by respondent no.1 to debit freeze Bank Account of petitioner and for direction to de-freeze Bank Account. At outset, indeed, Hon'ble Supreme Court in case of ***Delhi Race Club (1940) Ltd. v. State of Uttar Pradesh*** reported in ***(2024) 10 SCC 690*** has held that charge under Section 406 of IPC would not sustain simultaneously with charge under Section 420 of IPC.

9. Perusal of complaint at Annexure-A reveals that complainant's main grievance is against Mr.Natarajan-accused no.1, who was a Director of petitioner - Company and Reporting Manager of complainant. Entire allegations are against accused no.1 inducing complainant to part with money. There is no allegation that accused no.1 had acted for and on behalf of petitioner-Company. Payment made by complainant was directly to accused no.1 and to M/s.RIO Enterprises and not to petitioner-Company. Merely on ground that some money was transferred from account of M/s.RIO Enterprises to petitioner-company, would not be justification for issuing



direction for debit freezing on account of Company. As held in ***Mohd Rizwan Ansari's*** case (*supra*), a Police Officer is not authorized under Section 91 of Code of Criminal Procedure, 1973 (***Cr.P.C.***) to issue direction to freeze Bank Account of any person, but he could approach jurisdictional Magistrate under Section 102(3) of Cr.P.C. as well as on ground that complaint averments do not indicate any dishonest inducement on part of Company to part with property, charges under Section 406 and 420 of IPC would not sustain.

10. In view of above, Petition is ***allowed***, proceedings in Crime no.35/2022 registered by Hanumanthanagar Police Station, Bengaluru, for offences punishable under Sections 406 and 420 of IPC pending on file of IV ACMM Court, Bengaluru are quashed insofar as petitioner-accused no.3 is concerned. Consequently, Order no.HNPS/CRM/35/2022 dated 04.03.2022 issued by respondent no.1 as per Annexure-C is also quashed.

Sd/-
(RAVI V HOSMANI)
JUDGE