



CNR: KAHC010146922024

NC: 2026:KHC:50467  
CRL.P No. 2455 of 2024

**IN THE HIGH COURT OF KARNATAKA AT BENGALURU**

**DATED THIS THE 16<sup>TH</sup> DAY OF SEPTEMBER, 2026**

**BEFORE**

**THE HON'BLE MR. JUSTICE RAJESH RAI K**

**CRIMINAL PETITION NO. 2455 OF 2024**

**BETWEEN:**

SMT. SUDHA N  
W/O SRI.SUBBAREDDY,  
AGED ABOUT 55 YEARS,  
RESIDING AT NO.146/147,  
3RD CROSS, FIRST STAGE,  
BTM LAYOUT,  
BANGALORE 560 068.

...PETITIONER

(BY SRI. KUMARASWAMY M., ADVOCATE)

**AND:**

Digitally signed  
by PANKAJA S  
Location: HIGH  
COURT OF  
KARNATAKA

1. STATE OF KARNATAKA  
BY HALASUR GATE POLICE STATION,  
REPRESENTED BY  
HIGH COURT PUBLIC PROSECUTOR.
2. M.SUDARSHAN,  
BRANCH MANAGER,  
AGE MAJOR,  
BANGALORE MAIN BRANCH,  
KARNATAKA CONTRACTORS  
COOPERATIVE BANK LIMITED,



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K.G.ROAD, CAUVERY BHAVANA,  
BANGALORE CITY - 560 002.

...RESPONDENTS

(BY SRI.MAHESH P., HCGP FOR R-1)

THIS CRL.P IS FILED U/S.482 OF CR.P.C PRAYING TO QUASH THE CHARGE SHEET FILED BY THE RESPONDENT HALASURGATE POLICE IN CR.NO.297/2017, C.C.NO.27123/2019 FOR THE OFFENCE P/U/S 408, 420, 120(B) R/W 34 OF IPC, PENDING BEFORE THE III ADDL.C.M.M., BENGALURU AS FOR AS PETITIONER CONCERNED AND ETC.

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 by the petitioner - accused No.2 under Section 482 of Cr.P.C. to quash the proceedings in CC No.27123/2019, arising out of Crime No.297/2017 dated 13.10.2017, filed by the Halasur Gate Police Station, Bengaluru City, against the petitioner and others for the offences punishable under Sections 120(B), 408 420 r/w 34 of IPC pending on the file of III ACMM Bengaluru.



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2. The factual matrix of the case is that respondent No.2, the Branch Manager of Karnataka Contractors Co-operative Bank Ltd., K.G. Road, Cauvery Bhavan, Bengaluru, lodged a complaint before respondent No.1-Police on 13.10.2017, alleging that one Subbareddy N - the husband of the petitioner., i.e., accused No.1, had misappropriated a sum of Rs.14,85,000/- belonging to the Bank while he was working as an Accounts Clerk in the said Bank. Subsequently, the said fact came to the knowledge of the Bank, whereupon Subbareddy N., admitted his guilt. As per the decision of the management of the Bank, he agreed to repay the misappropriated amount of Rs.14,85,000/-. Accordingly, he availed a loan from the complainant-Bank by mortgaging the property bearing Sy.No.262/1, measuring 10 guntas, situated at Begur Village, Begur Hobli, Bengaluru South Taluk. In respect of the said mortgage transaction, the petitioner, being the wife of Subbareddy N., stood as a guarantor. However, thereafter, accused No.1-Subbareddy N., before repayment of the loan amount, sold the said property to one Ananda Naidu, who was initially arrayed as accused No.3. Accordingly, respondent No.2



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lodged a complaint before respondent No.1-Police against Subbareddy N. and eight others. On the strength of the said complaint, an F.I.R. came to be registered in Crime No.297/2017 for the offences punishable under Sections 408, 420 and 120-B read with Section 34 of the IPC. Subsequently, respondent No.1-Police investigated the matter and filed a charge sheet against Subbareddy N. and the petitioner, by arraying the petitioner as accused No.2. Accordingly, the learned Magistrate took cognizance of the alleged offences against the petitioner. Aggrieved by the same, the petitioner has preferred the present petition.

3. Heard the learned counsel for the petitioner and the learned HCGP.

4. The primary contention of learned counsel for the petitioner is that, on perusal of the complaint and the charge sheet, no case is made out against the petitioner for the offences punishable under Sections 408 and 420 r/w Section 34 of IPC. He submits that the allegation in the complaint and the charge sheet is that the petitioner, being the wife of accused No.1, stood as a guarantor for the loan availed by accused No.1



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by mortgaging his property bearing Sy.No.262/1, measuring 10 guntas, for a sum of Rs.11,80,000/-. Subsequently, accused No.1 sold the said property to one Anand Naidu, who was arrayed as accused No.3. In such circumstances, the petitioner has nothing to do with the alleged acts committed by accused No.1. He further submits that the offence punishable under Section 408 of the IPC is attracted only against a clerk, servant or employee, and in the present case, the said provision can be invoked only against accused No.1, who was an employee of the Bank. Therefore, there is no material to implicate the petitioner for the alleged offences. Accordingly, he prays to allow the petition.

5. *Per contra*, learned HCGP has opposed the prayer by submitting that now charge sheet he has been filed and the statements of material witnesses reveal the involvement of this petitioner in the crime by sharing a common intention. Accordingly he prays to dismiss the petition.

6. I have given my anxious consideration both on the submission and perused the materials available on record.



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7. As could be gathered from the records, the averments in the complaint disclose that accused No.1, being a Clerk in respondent No.2-Bank, had misappropriated a sum of Rs.14,85,000/- during the year 1998-1999, and the said misappropriation came to the knowledge of the Bank during the audit conducted in the year 2017. Accordingly, the said fact was brought to the notice of accused No.1, who admitted his guilt. Thereafter, with the approval of the management, the Bank authorities permitted accused No.1 to repay the said amount of Rs.14,85,000/-. For repayment of the said amount, accused No.1 availed a loan of Rs.11,80,000/- from the same Bank by mortgaging the property bearing Sy.No.262/1, measuring 10 guntas. In respect of the said loan transaction, the petitioner stood as a guarantor. On perusal of the sale deed pertaining to the said property, it is evident that the property stood in the name of accused No.1.

8. Further, on perusal of the charge sheet materials, there is no specific allegation against the petitioner that she had committed any offence either under Section 408 or Section 420 of the IPC. It is alleged that accused No.1 subsequently sold



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the said property to one Anand Naidu, who was initially arrayed as accused No.3 in the complaint. However, subsequently, respondent No.1-Police dropped him from the list of accused and cited him as a witness. It is a settled principle of law that the concept of vicarious liability is alien to criminal jurisprudence unless the statute specifically provides for the same. Therefore, merely because the petitioner stood as a guarantor for the loan availed by accused No.1, she cannot be held criminally responsible for the default in repayment of the loan or for the subsequent sale of the mortgaged property by its owner, namely, accused No.1. Merely because the petitioner is the wife of accused No.1, she cannot be prosecuted along with her husband in the absence of specific allegations and material constituting the alleged offences against her. As rightly contended by learned counsel for the petitioner, Section 408 of IPC is not attracted against the petitioner, as she was neither a clerk nor a servant or employee of the Bank and, therefore, could not have committed criminal breach of trust in such capacity. Even otherwise, the ingredients of Section 420 of the IPC are also not attracted against the petitioner, as there is no



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allegation or material to show that she had deceived any person or fraudulently or dishonestly induced any person to deliver any property.

9. In such circumstances, on an overall consideration of the entire charge sheet material, even if the allegations are taken at their face value, no offence is made out against the petitioner for the offences alleged in the charge sheet. In such circumstances, continuation of the proceedings against this petitioner is nothing but abuse of process of Court. Accordingly, I proceed to pass the following:

ORDER

- i. The petition is ***allowed***.
- ii. The proceedings against petitioner/accused No.2 in CC No.27123/2019, arising out of Crime No.297/2017 dated 13.10.2017, filed by the Halasurgate Police Station, Bengaluru City, for the offences punishable under Sections 120(B), 408 420 r/w 34 of IPC pending on the file of III ACMM Bengaluru, is hereby quashed.



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iii. However it is made clear that proceedings  
against other accused shall continue.

**SD/-  
(RAJESH RAI K)  
JUDGE**

GPG  
List No.: 1 SI No.: 19