



CNR: KAHC010358802019

NC: 2026:KHC:42618
CRL.P No. 2818 of 2019

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 10TH DAY OF AUGUST, 2026

BEFORE

THE HON'BLE MR. JUSTICE RAVI V HOSMANI

CRIMINAL PETITION NO. 2818 OF 2019

BETWEEN:

SMT. NOWHERA SHEIKH
D/O LATE NANNA SAHEB
AGED MAJOR,
RESIDING AT NO. 9-4-134/A/5/23/1,
FLAT NO. 501, H.S.RESIDENCY
NADEEM COLONY, TOILCHOWKI,
HYDERABAD - 500 008.

...PETITIONER

(BY SRI. MANOJ S.N, ADVOCATE)

AND:

1. THE STATE OF KARNATAKA
BY SANJAY NAGAR POLICE STATION,
REP. BY SPP,
HIGH COURT OF KARNATAKA,
BANGALORE - 560 001.

2. SMT. SYEDA KHUTAJA
W/O MOHAMMED NIZAMUDDIN
NO.56, HADI MANZIL,
M.R.GARDEN, SANJAYNAGAR
BANGALORE - 560 094.

...RESPONDENTS

(BY SRI. SURYA MUKUNDRAJ L, ADDL. SPP FOR R1;
SRI. R. KOTHWAL, ADVOCATE FO R2 (**ABSENT**))

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by ANNAPURNA
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Location: High
Court of
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THIS CRL.P IS FILED U/S.482 OF CR.P.C PRAYING TO (a) QUASH THE FIR FILED IN CRIME NO.218/2018 BY THE 1st RESPONDENT AT ANNEXURE-B AND CONSEQUENTLY QUASH ALL FURTHER PROCEEDINGS IN CR.NO.218/2018 OF SANJAY NAGAR POLICE, PENDING ON THE FILE OF THE VIII ADDITIONAL CHIEF METROPOLITAN MAGISTRATE, BENGALORE IN SO FAR AS THE PETITIONER IS CONCERNED.

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

CORAM: HON'BLE MR. JUSTICE RAVI V HOSMANI

ORAL ORDER

Challenging registration of FIR in Crime no.218/2018 by Sanjay Nagar Police Station, Bengaluru, for offence punishable under Section 420 of Indian Penal Code, 1860 (**IPC**), presently stated to be pending on file of VIII ACMM, Bengaluru, this petition is filed.

2. Sri Manoj S.N., learned counsel for petitioner submitted sole ground of challenge was that complaint averments even if taken on face value would not constitute essential ingredients for offence alleged, and therefore, FIR requires to be quashed.



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3. It was submitted, a complaint was filed on 03.11.2018, wherein complainant merely stated that accused Smt.Nowhera Sheikh, Chairman of HEERA Group along with Managing Director and CEO of Subsidiary companies and its working Directors etc., were responsible for day-to-day affairs of Company, influenced complainant by promising words about *'Interest free and halal returns'* as per Islamic law in case of Investment and induced complainant to invest a sum of Rs.25,25,000/-. It was stated that investments were made in Gold and Textile Schemes of HEERA Group. When complainant sought for closure of investment in month of June 2018 she was promised that return of investment will be in October or November, 2018. When it was not made and even monthly benefit stopped from June, complainant followed up and realized that CEO of HEERA Group of office was arrested by Crime Branch of Hyderabad, who instructed her to file FIR with local Police Station. It was alleged that HEERA Group had assured profit of 40% as benefit and 20% as tax payment to Government with indemnity to return in gold or cash as per



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choice. It was alleged that company did not keep its commitment of payment and sought action.

4. Complaint was registered as Crime no.218/2018 for offence punishable under Section 420 of IPC by Sanjay Nagar Police Station against petitioner and others. It was submitted that to constitute offence under Section 420 of IPC, dishonest intention has to be from inception and inducement to deliver property has to be with such dishonest intention. Admission by complainant that there was periodic payment of benefit, but stopped from June 2018 would rule out dishonest intention. It was submitted that Demonetization and introduction of GST had caused difficulties and there was no dishonest intention. It was further submitted that as per direction of this Court and during pendency of this petition, entire amount invested by complainant was returned to her on 15.07.2021. On above ground sought for quashing of FIR.

5. Sri Surya Mukundaraj L., learned Additional SPP for respondent-State opposed petition. It was submitted that allegation of inducement to invest based on promise of absurdly high returns would be a Ponzi Scheme and failure to



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adhere to promise would form ingredient of offence under Section 420 of IPC. It was submitted that matter was under investigation and contentions urged were in nature of defence and sought for dismissal.

6. There is no representation for respondent no.2-complainant.

7. Heard learned counsel. Perused material on record.

8. This petition is by accused no.1 challenging registration of FIR for offence punishable under Section 420 of IPC. In a petition filed for quashing of FIR, only scope for examination would be, whether contents of complaint taken on face value without anything being added or subtracted would disclose commission of offence.

9. In instant case, complaint has been registered for offence under Section 420 of IPC. Essential ingredients for offence of Section 420 of IPC would be dishonest intention, from inception, to induce delivery of property. Inducement to invest, in instant case, is in Gold Scheme and Textile Scheme of HEERA Group. It is stated by complainant, in complaint, that



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monthly benefits were being paid upto June, 2018. Though assured profit appear abnormally high, same by itself does not show dishonest intention required to establish offence under Section 420 of IPC.

10. Learned Additional SPP for respondent was unable to point out whether allegations would constitute offence under any other enactment. Even possibility of application of Banning of Unregulated Deposit Schemes Act, 2019, could not be invoked as deposits, in instant case, are much prior to coming into force of Act. For aforesaid contention urged, petition would succeed.

11. Consequently, Petition is **allowed**. Registration of FIR in Crime no.218/2018 by Sanjay Nagar Police Station, Bengaluru, for offence punishable under Section 420 of IPC, presently stated to be pending on file of VIII ACMM, Bengaluru, stands quashed.

Sd/-
(RAVI V HOSMANI)
JUDGE

HNM