

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 17TH DAY OF OCTOBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE H.P.SANDESH

WRIT PETITION NO. 7336 OF 2026 (GM-RES)

C/W

CRIMINAL PETITION NO. 8938 OF 2021

IN WP NO.7336/2026:

BETWEEN:

SMT. PAVITRARAMANUJAM
D/O N. RAMANUJAM
AGED ABOUT 38 YEARS
R/AT P-40/G-A/BLOCK-I
SEAWARD 4th STREET
VALMIKI NAGAR
THIRUVANMIYUR, VELACHERY
CHENNAI
TAMIL NADU – 600041

...PETITIONER

Digitally signed
by DEVIKA M
Location: HIGH
COURT OF
KARNATAKA

(BY SRI. GAUTHAM S. BHARADWAJ, ADVOCATE FOR
SRI. ARJUN A. HEBBAR, ADVOCATE)

AND:

THE DIRECTORATE OF ENFORCEMENT
BENGALURU ZONAL UNIT
HMT MACHINE TOOLS LIMITED PREMISES
BANGALORE COMPLEX, JALAHALLI
BENGALURU 560 01
REP. BY SPL. PUBLIC PROSECUTOR

...RESPONDENT

(BY SRI. MADHU N. RAO, CGC - ABSENT)

THIS WRIT PETITION IS FILED UNDER ARTICLE 226 OF THE CONSTITUTION OF INDIA, 1950 READ WITH SECTION 528 OF THE BHARATIYA NAGARIK SURAKSHA SANHITA, 2023 PRAYING TO QUASH THE E-MAIL/SUMMONS DATED 19.02.2026 ISSUED BY THE RESPONDENT/ENFORCEMENT DIRECTORATE AND CONSEQUENTLY THE FURTHER INVESTIGATION PURSUANT THERETO ARISING OUT OF F.NO.ECIR/BGZO/15/2023 REGISTERED BY THE RESPONDENT/ENFORCEMENT DIRECTORATE, IN SO FAR AS THE PETITIONER IS CONCERNED, PRODUCED VIDE ANNEXURE-A AND ETC.

IN CRL.P NO.8938/2021:

BETWEEN:

MS. PAVITRA RAMANUJAM
D/O N. RAMANUJAM
AGED ABOUT 33 YEARS
R/AT NO.10/33, SHOBA HOMES
BEACH ROAD, BESANT NAGAR
CHENNAI - 600900

...PETITIONER

(BY SRI. GAUTHAM S. BHARADWAJ, ADVOCATE FOR
SRI. ARJUN A. HEBBAR, ADVOCATE)

AND:

1. STATE OF KARNATAKA
BY KORAMANGALA POLICE STATION
REP. BY ITS STATE PUBLIC PROSECUTOR
HIGH COURT OF KARNATAKA
B.R. AMBEDKAR ROAD
OPP: VIDHANA SOUDHA
BENGALURU - 560001.

2. RAMAMNUJAN A.G.
S/O GOPAL IYENGAR
AGED ABOUT 40 YEARS
R/AT NO.551, 16TH CROSS
35TH MAIN, 6TH PHASE
J.P. NAGAR
BENGALURU – 560078.

...RESPONDENTS

(BY SRI. MOHAMMED AYUB ALI, ADDL. SPP FOR R1;
R2 - SERVED)

THIS CRIMINAL PETITION IS FILED UNDER SECTION 482 OF CR.P.C PRAYING TO QUASH THE CHARGE SHEET DATED 05.01.2021 IN CR.NO.26/2020 FILED BY THE 1st RESPONDENT/POLICE IN SO FAR AS THE PETITIONER/ACCUSED NO.6 IS CONCERNED, FOR THE OFFENCES PUNISHABLE UNDER SECTIONS 406, 418, 420, 468, 471, 120B, 504, 506 R/W SECTION 34 OF IPC (PRODUCED VIDE ANNEXURE-B) AND ETC.

THESE PETITIONS HAVING BEEN HEARD AND RESERVED FOR ORDERS ON 07.10.2026, THIS DAY, THE COURT PRONOUNCED THE FOLLOWING:

CORAM: HON'BLE MR. JUSTICE H.P.SANDESH

CAV ORDER

Heard the learned counsel appearing for the respective parties.

2. Crl.P.No.8938/2021 is filed praying this Court to quash the charge sheet dated 05.01.2021 in Cr.No.26/2020 filed against this petitioner/accused No.6 for the offences punishable under Sections 406, 418, 420, 468, 471, 120B, 504, 506 read with Section 34 of IPC and also prayed this Court to quash the order dated 06.01.2021 passed by the Trial Court in taking cognizance in C.C.No.417/2021 for the aforesaid offences against this petitioner.

3. The factual matrix of case of the prosecution in Crl.P.No.8938/2021 is that this petitioner being the Director along with accused No.1 and accused No.2 being the CEO of M/s Generis Consulting Services Private Limited have established the said company in the year 2013 and shifted the same to different address at No.708/1, 3rd Block, 6th 'B' Cross, Koramangala and also opened an account in CW15 Bank. The accused Nos.1 and 4 are the children of accused No.2. With an intention to make illegal money, accused persons conspired with each other and entered into an agreement with the Hexagon Motors Company situated at France, QAPI Company, Kottan Automobile company, Generis Aviation Company and made the complainant to invest the money in their project with an assurance of good profit. The complainant also invested the

money with the accused persons. When the complainant went and requested accused Nos.1, 6 and 7 in 2020 to refund his investment, at that time, they abused him in a filthy language and caused the life threat and they withheld the amount of Rs.5,90,82,467/- and caused loss to CW1, 4, 5, 6, 7 and 8 and cheated them. Hence, the police, after receiving the complaint, investigated the matter and filed the charge sheet.

4. The main contention of the counsel appearing for the petitioner is that the charge sheet discloses that the accused have cheated the complainant along with his family members and friends to the tune of Rs.7,10,95,467/- and charge sheet material and statements of witnesses discloses that out of that amount, an amount of Rs.6,27,95,467/- was transferred directly to the personal account of accused No.2 and her daughter and their family members and details are also given having made the payment and amount was transferred to the account of accused Nos.2, 3 and 4 and. The counsel also contend that sum of Rs.83,00,000/- was transferred by MEC Concepts India Ltd. to M/s Generis Consulting Services Private Limited and immediately, the said amount was also transferred to the personal account of accused No.2. Hence, the amount of Rs.83,00,000/- which was towards the investment was the

subject matter of the case and loan repayment agreement is dated 24.12.2018 and this agreement was also signed by accused No.2 only.

5. It is also the case of CW1 that a sum of Rs.42,50,000/- out of Rs.83,00,000/- is also repaid by accused No.2. On examination of the bank account of M/s Generis Consulting Private Limited, it shows that during the period from 01.10.2017 to 30.09.2019, a sum of Rs.49,971/- was credited to the petitioner's account, whereas on 22.02.2019 and 12.03.2019, she transferred a sum of Rs.75,000/- back to the company. The counsel also vehemently contend that the correspondence shows no involvement of this petitioner and this petitioner is not privy to or even marked to any of the communications between the de-facto complainant and accused No.2 and email correspondence would show that there is correspondence between de-facto complainant and accused No.2. The counsel would vehemently contend that in the absence of any specific role or overt act precludes fastening any criminal liability upon a Director and merely because he is a Director, he cannot be prosecuted.

6. The counsel in support of his argument also relies upon the judgment of the Apex Court in the case of **SUNIL BHARTI MITTAL vs CBI** reported in **(2015) 4 SCC 609** and brought to notice of this Court paragraphs 43 to 46, wherein an observation is made in this regard. The counsel also relies upon the judgment of the Apex Court in the case of **MAKSUD SAIYED vs STATE OF GUJARAT** reported in **(2008) 5 SCC 668** and brought to notice of this Court paragraphs 13 and 14. The counsel also relies upon the judgment in the case of **RAVINDRANATHA BAJPE vs MANGALORE SPECIAL ECONOMIC ZONE LIMITED AND OTHERS** reported in **2022 15 SCC 430** and brought to notice of this Court the discussion made in paragraphs 8 and 9. The counsel also relies upon the judgment in the case of **SHIV KUMAR JATIA vs STATE OF NCT OF DELHI** reported in **(2019) 17 SCC 193** and brought to notice of this Court paragraphs 21, 22 and 27 wherein discussion was made with regard to showing active participation is required even in a case of which he is a Director. The counsel also relies upon judgment in the case of **SHARAD KUMAR SANGHI vs SANGITA RANI** reported in **(2015) 12 SCC 781** and brought to notice of this Court paragraphs 11 and 13. The counsel also relies upon the

judgment in the case of **VIJAY TATA vs ENDORCEMENT**
DIRECTORATE AND OTHERS passed in
W.P.No.56732/2018 dated **29.07.2026**.

7. The counsel referring these judgments would vehemently contend that in the absence of any direct and specific allegation qua petitioner, vicarious liability ought not to be fastened upon the petitioner for the alleged wrong of the company, more so, when the company is not even made as an accused.

8. The counsel also would vehemently contend that when there are no any essential ingredients of the alleged offences particularly, with regard to invoking of Sections 406 and 420 of IPC which operate on distinct legal foundations and cannot be mechanically invoked on the same allegations. In this regard, the counsel relies upon the judgment in the case of **DELHI RACE CLUB (1940) LTD., vs STATE OF UTTAR PRADESH** reported in **(2024) 10 SCC 690** and brought to notice of this Court paragraphs 38 and 39. The counsel also relies upon the Judgment in the case of **ARSHAD NEYAZ KHAN vs STATE OF JHARKHAND** reported in **2025 SCC**

ONLINE SC 2058 and brought to notice of this Court paragraph 21.

9. The counsel would vehemently contend that there cannot be any prosecution for both the offences of Sections 406 and 420 of IPC. When no specific allegation or material shows that petitioner has deceived or induced the complainant with any dishonest intention, the petitioner neither a signatory to the agreement nor involved in any representation or inducement, there cannot be any prosecution. In support of this argument, the counsel also relies upon the judgment in the case of **VESA HOLDINGS PVT. LTD., vs STATE OF KERALA** reported in **(2015) 8 SCC 293** and brought to notice of this Court paragraphs 12 and 13 wherein discussion was made in this regard. The counsel also relies upon the judgment of this Court in the case of **SATHISH KUMAR S vs STATE OF KARNATAKA** passed in **CrI.P.No.10436/2023** dated **12.01.2024**.

10. The counsel also vehemently contend that when the offences under Sections 468 and 471 of IPC were invoked, there must be a material or averment or any allegation made even in the charge sheet stating that this petitioner herein had

committed an offence of forgery. But there is no material in the case on hand. In this regard, the counsel relies upon the judgment in the case of **MOHD. IBRAHIM vs STATE OF BIHAR** reported in **(2009) 8 SCC 751** and brought to notice of this Court paragraphs 13, 14, 21, 24 and 29.

11. The other contention urged by the petitioner counsel is that in order to invoke Section 504 and 506 of IPC, there must be intentional insult and criminal intimidation. The allegations of intentional insult or criminal intimidations, if at all, are specifically attributable only to accused Nos.2 and 4 and the charge sheet discloses that there is no specific act, threat or intention on the part of this petitioner. In this regard, the counsel relies upon the judgment in the case of **VIKRAM JOHAR vs STATE OF UTTAR PRADESH** reported in **(2019) 14 SCC 207** and brought to notice of this Court paragraphs 19, 20, 23 and 25 with regard to the ingredients of the offences.

12. The main contention of the counsel appearing for the petitioner is that the Trial Court committed an error in taking cognizance and the same is a mechanical and without any application of mind. The Trial Court fails to examine that whether any specific allegation is made out against this

petitioner is concerned or not. Hence, the counsel vehemently contend that this Court has to exercise the powers under Section 482 of Cr.P.C even after filing of charge sheet to prevent the abuse of process of law. In support of this contention, the counsel relies upon the judgment in the case of **ANAND KUMAR MOHATTA vs STATE (NCT OF DELHI)** reported in **(2019) 11 SCC 706** and brought to notice of this Court the discussion made in paragraphs 14 to 16.

13. The counsel referring these judgments prays this Court to quash the proceedings initiated against this petitioner.

14. In W.P.No.7336/2026, the counsel for the petitioner prays this Court to quash the e-mail/summons dated 19.02.2026 issued by the Enforcement Directorate and further investigation pursuant thereto arising out of F.No.ECIR/BGZO/15/2023 registered by the Enforcement Directorate.

15. The counsel for the petitioner in support of his arguments, relies upon the judgment reported in **VIJAY MADANLAL CHOUDHARY vs UNION OF INDIA** reported in **(2023) 12 SCC 1** wherein discussion was made with regard to the proceeds of crime without a crime. The counsel also relies

upon the judgment in the case of **MS. C UMA REDDY AND OTHRS vs DIRECTORATE OF ENFORCEMENT AND OTHERS** in **W.P.NO.19337/2022**, wherein also considered the question if an investigation under the PML Act can be permitted to continue when there is an interim order of stay relating to the predicate offence. The counsel also vehemently contend that in the connected matter, already there was a stay and allegations are also very vague against this petitioner. As per the allegations in the predicate offence, the petitioner is not aware of the alleged transaction. The entire allegations have been levelled against one Sri. Anirudh and not the petitioner herein. The written first information and the final report in the said case categorically indicate that petitioner is not involved in the offences which have been alleged. Hence, there cannot be any investigation by the respondent against this petitioner.

16. Per contra, the counsel appearing for the respective respondents would vehemently contend that this petitioner is accused No.6. The company was started in the year 2013 and this petitioner was the Director of the said company. The counsel also vehemently contends that document clearly discloses that there was an agreement between the parties. The counsel also contends that accused No.2 is the CEO and

she was authorized to represent the company. The counsel also relies upon the certificate of incorporation produced before the Court. The counsel vehemently contend that this petitioner is having the major share of 50% and the same is also not disputed. The transaction is between the period of 2018 to 2020. The accusation made against this petitioner also that she had looking after the company affairs and being the major shareholder, authorized accused No.2 to deal with the company affairs. Even after the registration of the FIR against this petitioner as well as others, has not taken any decision by this petitioner. The counsel for the petitioner submits that the allegation is only against accused No.2 and this petitioner has not having any knowledge about the company affairs there is no role of this petitioner in the alleged offence cannot be accepted. The counsel brought to notice of this Court that payment was made in favour of the company to the tune of Rs.83,00,000/- and not dispute the said payment. All the investment made by the charge sheet witnesses was also utilized by the company. Though it is the case of the petitioner that only accused No.2 has utilized the money by immediately transferring the amount to her account, but the fact that accused No.2 is CEO and authorized to represent the company

is not in dispute. The counsel also contends that the writ petition is arises out of issuance of summons by the respondent/Enforcement Directorate. If this Court comes to the conclusion that matter requires to be tried, the writ petition also will not survive.

17. The counsel for the respective parties have made the very same submission. Hence, taken up both the matters together.

18. Having heard the learned counsel appearing for the respective parties and also on perusal of the material on record, it discloses that the complaint was filed immediately when the complainant came to know that accused persons did not come forward to repay the amount. It has to be noted that having registered the FIR in Crime No.26/2020 based on the complaint dated 01.02.2020, the police have registered the case and investigated the matter. In the complaint, the specific allegations are made particularly against accused Nos.1 and 2 that both of them forced the complainant and others to invest in their company and their personal accounts promising good returns to them and they have also invested the money. During the course of investigation, it discloses that all of them have

involved in indulging such act and specific charges are also made including the threat and abuse when the charge sheet witnesses have approached this petitioner and others.

19. It is also important to note that the counsel appearing for the respondent brought to notice of this Court that the maximum share of this petitioner is 50% when the company was started in 2013. The same is not disputed by the petitioner. The fact that accused No.2 is the CEO of the said company and the same is also not in dispute. The only contention taken by the petitioner counsel that amount was paid to the tune of Rs.6,27,95,467/- in favour of accused No.2 and payment was made in favour of the company is only to the tune of Rs.83,00,000/- and the same was also immediately transferred to the account of accused No.2. Hence, it is very clear that amount was invested and the same was not refunded inspite of there is an agreement between the parties. When the specific accusation is made and also this petitioner being the 50% major shareholder, the very contention of the counsel for the petitioner that the correspondence not shows any involvement of the petitioner cannot be accepted. It is also to be noted that during the period from 01.10.2017 to 30.09.2019, as admittedly, some amount was credited to the

petitioner's account. Though it is contented that the same was repaid and no specific role of overt act precludes fastening the criminal liability upon this petitioner who is the Director cannot be accepted.

20. No doubt, the judgments which have been relied upon by the petitioner's counsel in the case of **SUNIL BHARTI MITTAL; MAKSUD SAIYED; SHARAD KUMAR SANGHI** referred supra is very clear that in the absence of any direct and specific allegation qua the petitioner, there cannot be any vicarious liability. The fact that when this petitioner having major share of 50% and accused No.2 is only a CEO who was authorized by the company and dealt with the amount invested by the charge sheet witnesses and whether there are essential ingredients of the alleged offences to invoke Sections 406 and 420 against this petitioner or not is a matter of trial to know that whether with an intention to cheat, at the inception made them to invest the money is purely a mixed question of fact and law for consideration during the course of trial.

21. The other contention that this petitioner had not indulged in any creation of document, thus, invoking of offences under Sections 468 and 471 of IPC does not arise. So

also, the contention of the counsel for the petitioner that accused Nos.2 and 4 only made the threat and insult and this aspect also could be considered during the course of trial not at the stage of invoking of the power under Section 482 of Cr.P.C. No doubt, there is no dispute with regard to the principle laid down in the judgment of **ANAND KUMAR MOHATTA vs STATE (GOVT. OF NCT OF DELHI)** decided on **15.11.2018** that even while consideration of the charge sheet, the powers under Section 482 of Cr.P.C also can be exercised. The fact is that the company was started in 2013 and transaction was made. But the dispute arise between the parties is only in 2020 that too when the demand was made to refund the amount, threat was caused and abused and also not refunded the amount of crores of rupees. When the specific allegations are made in the complaint dated 01.02.2020 alleging the involvement of this petitioner who has invested 50% of the share in the company, it cannot contend that the Director of the company cannot be prosecuted for vicarious liability. Hence, the judgments which relied upon by the petitioner's counsel will not come to the aid of the petitioner.

22. It is also not in dispute that transaction was taken place in between 2018 to 2020. Though, the counsel for the

petitioner contend that only accused No.2 used the money, the Court has to take note that when the authorization was given to accused No.2-CEO and not disputed the payment by the complainant and charge sheet witnesses. Thus, the matter requires full fledged trial. Hence, I do not find any grounds to entertain the petition exercising the powers under Section 482 of Cr.P.C and quash the proceedings as sought in the petition.

23. The writ petition is also filed praying this Court to quash the proceedings initiated by the Enforcement Directorate against the petitioner. When this Court comes to the conclusion that petitioner along with other accused persons have indulged in such act and the offence is also predicative offence and the matter requires trial, the question of entertaining the writ petition also does not arise. Both the counsel made the submission that writ petition is also subject to the predicate offence as a result of the CrI.P.No.8938/2021, the same also does not survive for consideration.

24. The counsel appearing for the petitioner also vehemently contend that the Trial Court has committed an error in issuing the summons by taking cognizance and the order is mechanical. The said contention cannot be accepted

since the Trial Court while considering the matter perused the charge sheet material and proceeded to take the cognizance in coming to the conclusion that the matter requires trial.

25. In view of the discussions made above, I pass the following:

ORDER

The Crl.P.No. 8938/2021 is dismissed.

Consequently, granting of the relief in favour of the petitioner in the writ petition also does not survive for consideration as the predicative offence. Hence, the W.P.No.7336/2026 is also dismissed.

Sd/-
(H.P.SANDESH)
JUDGE

SN