



**IN THE COURT OF PRL. SENIOR CIVIL JUDGE AND CJM
AT RAICHUR.**

PRESENT

MISS. B.T. ANNAPOORNESHWARI.

B.A, LL.B, LL.M.

PRL.SENIOR CIVIL JUDGE and CJM,
AT RAICHUR.

C.C. NO.380/2010.

DATED THIS 14th DAY OF AUGUST, 2026.

COMPLAINANT:-

The State of Karnataka,
Through Market Yard P.S.

(By Learned Sr. A.P.P.)

Vs.

ACCUSED:-

1. Smt.Basamma W/o Mahanthappa,
Age: 53 years, Occu: Anganawadi
Teacher at Ganganivasa, R/o Court
Talar, Raichur. **[Abated]**
2. Smt.Maheshwari W/o Manjunath,
Age: 28 years, Occu: Household,
R/o Court Talar, Raichur.
3. Smt.Eramma @ Jayashree W/o
Hogri Shambulingappa, Age: 38
years, Occu: Household,
R/o Ekathanagar, Bhramhagiri
colony, Unakal, Sainagar Road,
Unakal, Hubballi.



4. Sulochanamma W/o late
Thirumalarao, Age: 55 years,
Occ : Anganawadi Karyakartha at
Kalidasnagar, R/o near Thayamma
Temple, LBS Nagar, Raichur.
(A-2 & A-3 by Sri. Hanumanthappa R. Adv.)
(A-4 by Sri. Ramesh Krishna, Adv.)

1. Date of offence : 04.10.2008.
2. Date of report of offence : 21.07.2010.
3. Date of arrest of accused : A1 to A-3 on 23.07.2010
A-4 on 24.07.2010
4. Date of release of accused : A-3 on 27.07.2010
A1,2&4 on 28.07.2010.
5. Name of the first informant : Smt.Siddalingamma.
6. Date of commencement
of evidence. : 07.04.2014.
7. Date of closure of evidence : 08.03.2022.
8. Offences alleged : Secs.406, 420 of IPC.
9. Opinion of the P.O. : Accused not found
guilty.
10. Complainant Rep. By : Learned Sr. A.P.P.



11. Accused Rep. By : (A-2 & A-3 by Sri. Hanumanthappa R. Adv.)
(A-4 by Sri. Ramesh Krishna, Adv., Advs.

(B.T. ANNAPOORNESHWARI),
Prl. Senior Civil Judge and CJM,
Raichur.

J U D G M E N T

The PSI of Market Yard P.S. has filed the charge sheet against the accused for the offences punishable under Sections 406, 420 r/w.Sec.34 of IPC.

2. The brief facts of the prosecution case are that:-

The CW.1/Smt.Siddlingamma lodged the first information stating that she is residing at LBS Nagar alongwith her husband and children by doing Roti business since from 20 years and in their area Smt.Sulochana, Anganwadi teacher is known to her and from her she also came to be acquainted with another Anganwadi Teacher by name Smt.Basamma who used to come to her house and said teacher got two female children. In the year 2008 said teach started Chit business in the name and style as "Sri Gangadhara Swamy Lucky Family Home and included her and her area persons as members to it and they became members by paying Rs.5,000/- and she paid for



total 04 chits. They were totally 60 members made as one group for chit payment money and after payment in a month said Teacher used to pay amount of Rs.10,000/- towards Rs.5,000/- in draw. For that desire all her area residents became members of her chit business and similarly said teacher paid amount to some members and she used to say her that her number is still in far away and her draw money will come later. Every month on 10th date said teacher used to come to her house and collect money and from two months as on the date of filing complaint said teacher did not come. When she went to house of said teacher and enquired, at that time said teacher told that she will come later and thereafter she came to know from the Sadar Bazaar police that said teacher went missing and case was filed. She totally paid 04 chits for Rs.20,000/-. Like her, Sulochanamma Anganwadi teacher she also paid 08 chits amount of Rs.40,000/-, Eashwaramma paid 02 chit amount of Rs.10,000/-, Neelamma paid 04 chit amount of Rs.20,000/-, Padmamma paid 02 chit amount of Rs.10,000/-, Yallamma paid 01 chit amount of Rs.5,000/- and Mallamma paid 01 chit amount of Rs.5,000/- and in totally Rs.1,10,000/- was paid by them but said teacher cheated them without repaying said amount to them. Anganwadi teach Basamma W/o Mahanthappa, near Mallikarjun temple, H.No.2.4.136, Kote Talar, Raichur and her children Maheshwar W/o Manjunath and Erammam @ Jayashree W/o



Shambulinga, these three persons together made them to believe that they will get double of the amount paid by them and cheated them and committed breach of trust by taking chit amount from them and without repaying said amount to them and said persons cheated in other places also. Thus, the accused have committed the above offences.

3. After registering this case the accused were produced before court and remanded to J.C. and later got enlarged on bail. On receipt of the charge sheet, this court took cognizance of the above offence and issued summons to accused. On appearance, the copy of the charge sheet is furnished to the accused as per Section 207 of Cr.P.C..

4. The charge for the above offence is framed, read over and explained to the accused. They have not pleaded guilty, but claimed to be tried.

5. In order to prove the case, the prosecution has got examined 19 witnesses as P.Ws.1 to 19 and got marked Exs.P.1 and P.65 to prove its case.

6. During the trial the accused No.1 is reported as dead and hence case against said accused is abated. The statement of



remaining accused under Section 313 (1) (b) of Cr.P.C. is recorded, wherein they have denied the incriminating circumstances appearing in the evidence and submitted that they have no defence evidence.

7. I have heard arguments of both sides and perused the materials on record.

8. The points for consideration are as under:-

1. Whether the prosecution has proved beyond all reasonable doubts that between 04.10.2008 and 21.07.2010 the accused in further of their common intention all have started Sri Ganghadharswamy Luck Family Home chit business and made the public of LBS Nagar to believe that you will give RS.10,000/- if they deposit Rs.5,000/- and gained trust and people of said area were entrusted you by depositing amount towards said chit business and you accused converted the said money to your own use, committed criminal breach of trust in respect of said entrusted property and thereby committed the offence punishable under Section 406 r/w.Sec.34 of I.P.C?
- 2) Whether the prosecution proves beyond all reasonable doubts that on the above said period the



accused in furtherance of their common intention got deposits from the public in chit business as stated above and cheated dishonestly deceive to deliver the aforesaid property and thereby committed the offence punishable under Section 420 r/w.Sec.34 of I.P.C?

3)What Order?

9. The answers to the above points are:-

Point Nos.1 and2 : In the negative,

Point No.3 : As per final order,

for the following;

REASONS

10. POINT Nos.1 AND 2:- These points are taken together for the sake of convenience in order to avoid repetition of facts and circumstances of the case.

11. The C.W.1/P.W.1 Siddalingamma has deposed before this court in support of case of the prosecution. In the chief-examination she has stated that she has paid chit amount of Rs.5,000/- per month for 25 months, at one or two times she got Rs.10,000/- and still Rs.40,000/- has to be paid to her by accused. The accused cheated in 6 or 7 chit business. She identified the Ex.P1 which is the



complaint/First information lodged by her. She has also identified two receipts issued by the accused no.1 as per Ex.P2 & 3. In the cross-examination by the defense counsel it is brought out that the accused no.4 also came along with her to lodge the first information as she had also put four chits, the accused no.4 has not taken any money from her and also not given any receipts to her, she has not lodged first information against accused no.4 and she has also not given any further statement against accused no.4. She admits that the accused no.4 has also been cheated by accused as she was also paying chit amount monthly, she has lodged first information only against Basamma and Maheshwari, the accused no.4 is not due of any amount to her and the accused no.4 has not signed on the receipts.

12. C.W.2/P.W.2 Smt. Eshwaramma has deposed that she knows Sulochana and the first informant as they were doing chit business about 4 years back, she has also put chits, total 60 members were there and monthly chit amount was Rs.5,000/- which was used to be drawn at the house of the accused no.1 on 10th of every month, she has paid chit amount for 4 months which was collected by accused no.1 and 2. Accused told to give Rs.10,000/- to Rs.5,000/-. The accused have to pay Rs.20,000/- to her. As the accused were not in their house when they went and hence



complaint was lodged and she has given statement before police, after lodging first information the accused were secured by the police. She has identified the receipts Ex.P4 to P8 given to her by the accused. She paid the chit amount in the name of her sister Hampamma and her sister's son Suguresh and daughter Geeta. In the cross examination by defense counsel it is elicited that the company of accused is not registered, they have given the receipts to the police, she cannot read the receipts, said receipts were given by the accused no.1 and 2 in which her signatures are not there. But the accused have signed on them. The accused used to run the chit business in their house. Police have not recorded her statement. The accused no.4 also came when they went to lodged the first information as the accused no.4 also put chit amount, the accused no.4 has not collected any amount from her and also not given any receipt and there is no any business of chit amount between herself and accused no.4. She has not lodged complaint against accused no.4 and also not given any further statement against accused no.4. She admits that the accused no.4 has also been cheated by accused and she has also paying chit amount monthly, she has lodged complaint against Basamma and Maheshwari, 4th accused is not liable to pay any amount to her, the receipts do not bear signatures of accused no.4 and accused no.4 was not running any chit business.



13. C.W.3/P.W.3 Mallamma has deposed that she knows Sulochana and also first informant as they were doing chit business. She put two chits, there were totally 60 members, everybody has to pay Rs.5,000/- chit amount monthly, the chit was used to be drawn at the house of accused no.1 on 10th of every month, she has paid chit amount for two months which was collected by accused no.1 and 2 as accused assured her to give Rs.10,000/- to Rs.5,000/-. The accused have to pay Rs.30,000/- to her. The accused were not in house when they went to house of accused and hence they lodged first information. Police have recorded her statement. After lodging the first information the accused were got caught. She has identified the Ex.P9 which is receipt given by the accused to her. In the cross-examination of the defense counsel it is brought out that in Bank RD Account are there, for some days she paid the amount and after that she got received back said amount and said accounts are closed, she has taken back the amount from the Agreegold and RD, accused used to do other chit business which was not registered, she has given the receipt to the police, she cannot read receipts which were given by the accused no.1 and 2. The accused no.4 came along with them to the Police Station when they went to lodged first information, she was also put 4 chits. The accused no.4 did not take any money also did not issue any receipt to her and there is no any money transaction between herself and the accused no.4 and she



has also not filed first information against accused no.4. She has not given any further statement against accused no.4. The accused no.4 has also been cheated like her by said accused as she was also paying chit amount monthly. She has lodged first information against Basamma and Maheshwari. The accused no.4 is not liable to pay any amount to her. There is no signature of the accused no.4 on the receipts and accused no.4 was not running any chit business.

14. C.W.4/P.W.4 Neelamma has deposed in the same tone as that of previous witnesses and she has also identified the Ex.P10 to P13 which are the receipts given to her by the accused. In the cross examination also similar points are brought out from the defense counsels.

15. P.Ws.5 to P.W.10 by name Paddamma, Nagaratna, Shivamma, Yallamma, Sarojamma, Vijayalaxmi have deposed in the similar manner as deposed by P.W.3 and they have also identified the receipts alleged to have been given by the accused to them as per Ex.P14 to P30. In the cross-examination also nothing worth is elicited except denial but the similar points are elicited in the cross-examination by the defense counsel in respect of accused no.4 about non-involvement of accused no.4 in the alleged chit business.



16. The PW.11/Smt. Anjamma, Anganawadi Teacher has deposed as that of above witnesses and further stated that she has put chits in her name and in the name of one Prashant and Venkatesh and similarly other 8 to 10 teachers were also paid chit amount. She has identified two receipts given by accused which are marked at Exs.P64 and 65. Further she has deposed that the accused no.1 to 4 were running the said chit business. In the cross-examination by defense counsel it is brought out that within 13th of every month she used to pay chit amount but does not know exact date, said chit business was not registered the accused no.1 is a Anganawadi Teacher, the residents of LBS Nagar came to know that accused cheated them and went missing and at that time 7 to 8 members went to police station and lodged complaint and thereafter she did not go to the police station and accused no.4 came along with them to lodge the first information.

17. P.Ws.12 to 14 and P.W.18 who are the Pancha witnesses to Exs.P31 and 32 have turned hostile to the case of the prosecution and even after cross-examination by the prosecution nothing worth is elicited to support the case of the prosecution.

18. P.W.15 Kariyappa and PW.16 Srinivas have deposed that they have put their LTM and signatures respectively on Exs.P33 to 35



on the request of police and they do not know contents of said Panchanamas. The prosecution has cross-examined said witnesses by treating them hostile but nothing worth is elicited to support the case of the prosecution.

19. P.W.17/Dharmakar, IO has deposed about receipt of first information, registering case in crime no.64/2010, visiting spot and conducting spot mahazar, recording further statement of C.W.1, collecting 4 cards of Gangadhar Swami Lucky family home, sent card numbers 43 and 53 to the handwriting expert, submitted card nos.59, 26 before court, deputed his staff to trace out the accused who in turn produced the accused before him, he recorded voluntary statements of accused, seized the documents shown by accused in presence of C.Ws No.21 and 26 by drawing panchanama and Ex.P32, seized 4 cards under another panchanama, seized 6 cards under another panchanama and collected hand writings of accused no.1, 2 and 4 and sent them to FSL for opinion which were taken under Ex.P33 panchanama, recorded statements of witnesses, produced the accused before court, drawn Ex.P35, took sample handwriting of accused no.3 and sent it to FSL by drawing panchanama as per Ex.P34, produced accused no.3 before court sent letter to Bank to stop the transactions pertaining to Bank accounts of accused and recorded statements of witnesses and on 15.9.2010 he sent sample



hand writings of accused to the FSL for opinion. At this stage the further chief-examination is got deferred by the prosecution in view of non availability of FSL report in the case file. Thereafter the prosecution has failed to secure the said FSL report and also not chosen to complete the evidence of this witness.

20. P.W.19 Smt. Vijayalaxmi has not supported the case of the prosecution and deposed that she was not the member of any chit business and had not paid any chit amount and not received any receipts. This witness has only identified Exs.P52 to 55. Though the prosecution has cross examine this witness but nothing worth is elicited to support the case of the prosecution.

21. On perusal of the Ex.P1/First information it is clearly alleged that accused nos.1 to3 have collected the chit amount from 60 members and cheated them by committing breach of trust and not repaid the amount collected by them. But the charge-sheet is filed against accused nos.1 to 4 but there is no any evidence led by the prosecution and also there is no evidence of IO so as to prove as to on what basis the accused no.4 is also charge sheeted in this case. On perusal of the above witnesses evidence it is crystal clear that all the witnesses unequivocally have deposed before this court that they have no any allegation against accused no.4 and even they have not



lodged any first information against accused no.4 and accused no.4 is a chit member like them. This version of evidence of witnesses clearly goes against the case of the prosecution.

22. In this case the crucial evidence is of the IO who alleged to have found involvement of all accused in the case but the prosecution has not made any efforts either to complete his evidence and also not made any efforts to secure the FSL report. In this case the charge sheet submitted before this court on 01.10.2010. In the charge sheet column no.16 it is shown that the hand writings of the accused are sent to FSL and will be submitted after receipt of it but from 2010 till date of examination of IO on 23.10.2017 there is no efforts made by the prosecution to secure said FSL report and submit before this court to prove the case of the prosecution against accused. Further this court has also given ample opportunity to the prosecution to submit the FSL report and complete the evidence of IO but till 20.07.2026 there is no progress and said FSL report is not submitted before this court which is fatal to the case of the prosecution.

23. The Exs.P.2 to P.25 (again remarked as Exs.P.38 to P.62), Exs.P.27 to P.30, Exs.P.52 to P.55, P.64 and P.65 are the receipts alleged to have issued by Sri Gangadharswamy Lucky Family Home,



near Mallikarjun Temple, H.No.2-4-136, Kot Talar between the year 2007 and 2010. In the said receipts there is no signatures of the members who alleged to have paid the amount mentioned in said cards/receipts. If at all said cards/receipts were issued by the accused to the members then definitely the signatures of the members who are present material witnesses could have find place but it is not the case, then how can it be held that said receipts/cards were issued by the accused to the members. Further, in the above receipts/cards except in 5-6 cards there no signatures of accused Nos.2 and 3 and all the cards/receipts are bearing signatures of one Basamma and as per the prosecution case said Basamma is accused No.1 who is reported as dead and case against said accused is abated. The 5-6 cards/receipts bear signatures of both Basamma and Sulochana and as per the prosecution case said persons are accused Nos.1 and 4. As per the prosecution witnesses itself there is no involvement of accused No.4 in any manner and then how could said accused had signed on the said cards/receipts is not forthcoming from the evidence lead by the prosecution itself.

24. The pancha witnesses to the seizure panchanamas all have turned hostile and even the I.O. has not been examined by the prosecution, this itself disprove the alleged seizure panchanamas. The Ex.P.31 is the seizure panchanama alleged to have drawn at the



house of accused No.4/Sulochanamma and about seizure of 20 cards as mentioned in Ex.P.31 but as per the evidence of materials witnesses discussed above it is clear that there is no first information is lodged against the accused No.4 and the prosecution witnesses further clearly stated that the accused No.4 did not receive any chit amount from them and also not issued receipts to them. When the oral evidence on record is considered then the alleged Ex.P.31 cannot be believed which is relied upon by the prosecution contrary to the oral evidence lead by the prosecution.

25. The Ex.P.32 is the seizure panchanama alleged to have drawn at the house of accused No.1 and about seizure of two registers pertaining to Sri Ambabhavani Lucky Family Home and Sri Gangadhar Swamy Luckky Family Home written on bank account passbooks of Pragathi Grameen Bank, Javhar Nagar branch Theenkandil branch, canara bank, Krishna Samruddi Local area bank cheque book with blank slips, bank passbooks of Maheshwari pertaining to Pragathi Grameena Bank, Vijaya Bank, Krishna Bheema Samruddi Local Area Bank and the bank passbooks of Eramma pertaining to Krishna Samruddi Local area and seven cards with name and style as Sri Gangadhar Lucky Family Home Chit Cards, RD receipts. The above documents are not got marked by the



prosecution and hence said seizure panchanama is not proved by the prosecution.

26. The Exs.P.33 to P.35 are the mahazars/panchanamas about taking hand writings of accused Nos.1 and 3 but though the prosecution case is that they submitted said hand writings to the FSL for opinion but there is no evidence lead by the prosecution to prove that said documents were sent to FSL and where is the FSL report and hence said panchanamas are also not proved by the prosecution.

27. The Ex.P.36 is the FIR lodged on the basis of the Ex.P.1/FIS against accused Nos.1 to 3 only but later in the chargesheet the accused No.4 is included without any basis as could be make out from the evidence of the prosecution itself. Ex.P.37 is the spot mahazar which is alleged to have drawn in the house of accused No.4. As per the evidence lead by the prosecution there is no involvement of the accused No.4 and even the first information is filed against the accused Nos.1 to 3 only and as per the evidence the chit business used to be carried out by the accused Nos1 to 3 and on 10th of every month there used to be draw in the house of accused No.1, then the spot of crime/incident is the house of accused No.1 and not the house of accused No.4 and hence the Ex.P.37 is not at



all helpful to the prosecution to prove the alleged offence against accused.

28. The Ex.P.56 is the statement of CW.6 who is examined as PW.19 and as she turned hostile the prosecution has got marked her statement as Ex.P.56 but said statement is not proved by the prosecution by leading cogent evidence and hence said statement is not helpful to the prosecution case.

29. On over all assessment of the entire evidence on record lead by the prosecution this court is of the opinion that the evidence of Pws.1 to 11 is no helpful to prove the case of the prosecution in absence of nexus between the documentary evidence and the alleged offence alleged to have committed by the accused and also in absence of FSL report to prove the alleged receipts and absence of evidence of I.O. who has not been completely examined by the prosecution. Though the I.O. has stated that hand writings of the accused were sent to FSL but no such documents are produced on record by the prosecution inspite of giving sufficient opportunity which is fatal to the case of the prosecution. Without there being complete corroborative evidence to the evidence of Pws.1 to 11 the case of the prosecution cannot be believed and moreover the evidence of said witnesses is contrary to the case of the prosecution



in respect of accused No.4 and the documents produced in respect of accused No.4. The evidence lead by the prosecution is contrary in nature and there is no nexus between the evidence lead by the prosecution with the offence alleged to have committed by the accused.

30. Therefore, from the evidence lead by the prosecution the case of the prosecution remained unproved against the accused and prosecution has utterly failed to prove its case beyond reasonable doubts. Hence, it is necessary to acquit the accused from the alleged offences. **Accordingly, the point Nos.1 and 2 are answered in the negative.**

31. **POINT NO.3:-** As per the discussion made above, I proceed to pass the following:-

: O R D E R :

By exercising the powers conferred under Sec.248 (1) of Cr.P.C., the accused Nos.2 to 4 are hereby acquitted of the offences punishable under Sections 406, 420 r/w.Sec.34 of IPC.



The bail bond of the accused and the surety will exist for a period of six months from the date of this judgment.

(Typed by me directly on Computer, computerized, corrected by stenographer and then pronounced in the open court on this 14th day of August, 2026.)

Sd/-

(MISS. B.T. ANNAPOORNESHWARI)
Prl. Senior Civil Judge and CJM,
Raichur.

ANNEXURE

1) WITNESSES EXAMINED FOR THE PROSECUTION:-

P.W.1	:	Smt. Siddalingamma.
P.W.2	:	Smt. Eshwaramma
P.W.3	:	Smt. Mallamma
P.W.4	:	Smt. Neelamma.
P.W.5	:	Smt. Paddamma
P.W.6	:	Smt. Nagaratna.
P.W.7	:	Smt. Shivamma.
P.W.8	:	Smt. Yallamma.
P.W.9	:	Smt. Sarojamma.
P.W.10	:	Smt. Vijayalaxmi.
P.W.11	:	Smt. Anjamma.



P.W.12 : Sri. Raghavendra.
P.W.13 : Sri. Ranganatha.
P.W.14 : Smt. Venkamma.
P.W.15 : Sri. Kariyappa.
P.W.16 : Sri. Srinivas.
P.W.17 : Sri. Dharmakar.
P.W.18 : Smt. Sandhya.
P.W.19 : Smt. Vijayalaxmi.

2) DOCUMENTS MARKED FOR THE PROSECUTION:-

Ex.P.1 : Complaint.
Ex.P.1(a) : Signature of PW.1.
Ex.P.1(b) : Signature of PW.17.
Ex.P.2 to 25 : Receipts.
Ex.P.26 : Skipped.
Ex.P.27 to 30 : Receipts.
Ex.P.31 : Seizure Panchanama.
Ex.P.31(a) : Signature of PW.12.
Ex.P.31(b) : Signature of PW.13.
Ex.P.32 : Seizure Panchanama.
Ex.P.32(a) : Signature of PW.17.
Ex.P.32(b) : Signature of PW.18.
Ex.P.33 to P35 : Three Panchanamas.



Ex.P.33(a) to
Ex.P35(a) : Signature of PW.16 on Ex.P33 to P35.
Ex.P.33(b) to
Ex.P35(b) : Signature of PW.17 on Ex.P33 to P35.
Ex.P.36 : FIR.
Ex.P.36(a) : Signature of P.W.17.
Ex.P.37 : Panchanama
Ex.P.37(a) : Signature of P.W.17.
Ex.P.38 & 39 : Ex.P2 and P3 are again marked as
Ex.P38 and P39 by oversight.
Ex.P.40 to 51 : Skipped.
Ex.P.50 to 55 : 4 receipts.
Ex.P.56 : Statement of P.W.19.
Ex.P.57 to 63 : Skipped.
Ex.P.64 & 65 : Two receipts.

3) WITNESS EXAMINED FOR THE DEFENCE:-

- N I L -

4) DOCUMENT MARKED FOR THE DEFENCE:-

- N I L -

5) MATERIAL OBJECTS MARKED FOR THE PROSECUTION:-

- N I L -

Sd/-

(MISS. B.T. ANNAPOORNESHWARI)
Prl. Senior Civil Judge and CJM,
Raichur.