



IN THE COURT OF THE PRINCIPAL DISTRICT &
SESSIONS JUDGE, UDUPI AT UDUPI.

PRESENT

Sri K.S. Gangannavar, B.Com., LLB., (Spl.)
Principal District & Sessions Judge, Udupi

Dated this 11th day of June, 2026

Crl. Misc. No.212/2026

- Petitioners
- 1) Harish Karanth
S/o. Nagaraja Karanth,
Aged about 36 years,
R/o Moodahadu,
Post: Sasthan,
Brahmavara Taluk,
CEO, Sarvodaya Credit
Sauharda Co-Operative Ltd.,
 - 2) Nithyananda Kamath
S/o Dayananda Kamath
Aged about 77 years,
R/at Hosala, Barkur,
Brahmavara Taluk,
Udupi District.

(By Shri. P. Nityanand Shettigar, Advocate)

/Vs/

- Respondents
- 1) The State through
S.H.O., Brahmavara Police Station.

(By Learned Public Prosecutor, Udupi)

ORDER ON PETITION U/s 482 of B.N.S.S.

Accused Nos.1 and 2 facing allegations of the
offences punishable under Sections 227, 228, 233, 243,



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245, 246, 247, 335, 336, 338, 62, 314, 316, 318, 320, 321, 322, 323, 324, 308, 213, 215, 217 and 222 of BNS in Crime No.72/2026 of Brahmavara Police Station, have filed this petition. This crime is registered based on Private Complaint No.272/2025 referred to for investigation by I Addl. Civil Judge and JMFC, Udupi.

2. According to complainants- S. Balakrishna Hegde and Gangadhara Hegde, on 22.12.2013 accused No.1 had obtained loan from Sarvodaya Credit Sauhard Cooperative Ltd., Barkoor for purchase of JCB. Later, accused No.1 and 2 obtained signatures of these complainants as sureties for the loan proposed to be taken by accused No.3 falsely representing that they are only signing the papers as witnesses. Subsequently, an ex parte order is passed for recovery of Rs.33,89,899/- and an execution case is filed against the complainants. Further, accused persons have illegally sold the JCB offered as security for the said loan and used the proceeds for themselves. Without taking any steps against the guarantor who is wife of



accused No.3, complainants have been fixed in the case. Many proceedings have been initiated against them for a single loan transaction. Cheques given to society by the complainants in respect of different loan transactions, have been misused to initiate criminal proceedings. Hence, sought for action.

3. In support of the relief, the petitioners have contended that, petitioner No.2 is the President and petitioner No.1 is the CEO of the above named society. On 10.11.2012 loan was arranged for complainant Balakrishna Hegde for Rs.10 Lakhs with the co-obligation of Srinivas Shettigar against the hypothecation of TATA Crane (JCB). But he did not repay the loan. On 22.12.2013 the complainant had introduced accused No.3 with a request to arrange loan of Rs.10 Lakhs against the security of said JCB subject to clearance of existing loan availed by Balakrishna Hegde. Both the complainants had agreed to join transaction as co-obligants. As principal borrower and co-obligant failed to repay the loan, complainant



Balakrishna Hegde issued a cheque which came to be dishonoured. On issuing notice about bouncing of cheque, this private complaint is filed. Contrary to this, complainants have filed complaint before Brahmavara Police on 17.05.2025 stating that accused No.3 had availed the loan and they had stood as sureties to the said loan. There is delay in filing the complaint which is not explained. Petitioners are permanent residents of given address and have no criminal antecedents. They are ready to abide by the conditions of bail and to furnish surety for their release on bail. Hence, sought to allow the petition.

4. Learned Public Prosecutor filed objections with the I.O. Report. In the detailed objections it is contended that investigation is in progress. Further investigation is required to ascertain truth or otherwise behind the allegations. Petitioners are rich and influential. There are sufficient materials showing involvement of the petitioners. If released on bail, petitioners are likely to tamper with the prosecution



witnesses and destroy evidence. They may leave the State/Country. They may not cooperate in the investigation and may not attend the trial. Hence, prays for rejecting the petition.

5. Heard both sides. Perused the materials.

6. Point that arise for consideration is:

“Are the petitioners entitled
for anticipatory bail?”

7. Above point is answered in the affirmative
for the following:

REASONS

8. Petitioners happen to be the CEO and President of Sarvodaya Credit Souhard Cooperative. According to the complainant, complainant has not executed any documents either seeking or sanctioning the loan. However, the petitioners along with another hae created documents for financing accused No.3 for the purchase of JCB of Tata Crane Brand. Further, on non-payment of said loan, proceedings were initiated not only against the principal borrower but also against the complainants who had nothing to do with the loan



transactions. Now it is contended that accused persons had harassed the complainants in respect of loan transactions of accused No.3.

9. At the outset, it is noticed that registration of the crime appears to be strange one. Because, according to the complainant, accused No.3 is the principal borrower from accused No.1 and 2. Further, it is alleged that, accused No.1, 2 and 3 together created the documents relating to the loan of accused No.3 where complainant is mentioned as sureties. All these facts must have been considered while enquiring for the recovery of the said loan. During that stage, it is obvious that complainant must have received the notice and must have acted upon.

10. It is also contended that the notice to the complainant about the proceedings to recover the loan of accused No.3 are managed so that complainant shall not be aware of such proceedings. Even otherwise, during execution proceedings, there was occasion of complainant being aware of the proceedings. Based on



the award and the documents, accused No.1 and 2 are reportedly proceeded to recover the loan amount. Now the plea of non-execution of the document has to be proved by the complainant. In view of the order to recover the loan amount, the non-execution of the documents by the complainant cannot be accepted. However, investigation is going on and complainant has to lead evidence during the trial. In such context, detaining the petitioners for the allegations of fabrication of documents by itself is not proper.

11. In addition, petitioners have undertaken to abide by any reasonable conditions that may be imposed in releasing them on bail. Petitioners have also undertaken to cooperate with the Investigating Officer in the investigation. Under these circumstances, rejecting the bail will be improper.

12. It is also noticed that petitioner No.2 is a senior citizen of 77 years. There are no allegations about the affairs of Credit Souhard. In case of complainant succeeding to establish the allegations,



separate prosecution shall be initiated. If not, complainant shall also be prosecuted. Hence, at this stage, there are no reasonable grounds to detain the petitioners.

13. Accordingly, above point is answered in the affirmative. Hence, the following:

ORDER

The petition U/Section.482 of BNSS is hereby allowed.

In the event of arrest of the petitioners in Crime No.72/2026 of Brahmavara Police Station, petitioners shall be released on bail on the following conditions:

- (1) Petitioners shall execute bail bond for the value of Rs.2,00,000/- each with one surety for like sum.
- (2) Petitioners shall cooperate with the Investigating Officer in the investigation and shall attend the trial regularly.
- (3) Neither petitioners nor anybody on their behalf shall tamper or induce, try to tamper or try to induce the prosecution witnesses or to withhold from disclosing such facts of the



offence either to the court or to the Investigating Officer.

- (4) Petitioners shall not involve in any criminal activities during the pendency of this case.
- (5) Petitioners shall appear within 15 days of this order before the Investigating Officer, if not, this order stands lapsed.

(Dictated to the Stenographer Grade-I, transcript revised/corrected, then pronounced in the open court on 11th day of June, 2026)

(K.S. Gangannavar)
Principal District & Sessions Judge,
Udupi.