



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 4TH DAY OF FEBRUARY, 2026

BEFORE

THE HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

WRIT PETITION NO. 31057 OF 2025 (GM-POLICE)

BETWEEN

IIFL FINANCE LTD.
REGISTERED UNDER THE RESERVE BANK OF INDIA, 1934
HAVING ITS OFFICE AT NO. 4, 1ST FLOOR,
OPP. SHRIKE APARTMENT, 80 FEET OUTER RING ROAD,
KENGRI UPANAGARA, BENGALURU 560 060.
REPRESENT BY ITS AUTHORIZED SIGNATORY
SRI. VASU N
BRANCH MANAGER

... PETITIONER

(BY SRI. ANISH JOSE ANTONY., ADVOCATE)

AND

1. STATE OF KARNATAKA
BY KENGRI POLICE STATION,
MYSORE ROAD, SHIRKE LAYOUT, KENGRI,
BENGALURU 560 060
2. MAHESH CHINTHAKAYALA
BRANCH HEAD,
KARUR VYSYA BANK
S/O C MADDAIAH,
AGED ABOUT 37 YEARS,
HAVING OFFICE AT KARUR VYSYA BANK,
NO.9, OUTER RING ROAD, OPPOSITE SHIRKE APT,
K.S TOWN, BENGALURU, 560 060

.... RESPONDENTS

(BY SMT. K.P. YASHODHA., AGA FOR R1;
SRI. BALASUBRAHMANYA K.M., ADVOCATE FOR R2)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 & 227
OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT OF
CERTIORARI OR ANY OTHER APPROPRIATE WRIT, ORDER OR





DIRECTION TO QUASH THE NOTICE BEARING NO. KENGERIPS/CRNO-489/2024 ISSUED UNDER SECTION 94 OF THE BHARATIYA NAGARIK SURAKSHA SANHITA, 2023 DATED 08.10.2025 ISSUED BY RESPONDENT NO. 1 POLICE (HEREINAFTER REFERRED TO AS THE NOTICE DATED 08.10.2025) (ANNEXURE -A) AND ETC.

THIS WRIT PETITION COMING ON FOR ORDERS AND HAVING BEEN RESERVED FOR ORDERS ON 15.12.2025, THIS DAY, THE COURT PRONOUNCED THE FOLLOWING:

CORAM: HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

CAV ORDER

1. Petitioner is before the Court seeking for the following reliefs:

I. Issue a writ in the nature of Certiorari or any other appropriate writ, order, or direction to quash the notice bearing No. KENGERIPS/CRNO-489/2024 issued under Section 94 of the Bharatiya Nagarik Suraksha Sanhita, 2023 dated 08.10.2025 issued by Respondent No. 1 Police (hereinafter referred to as "the Notice dated 08.10.2025"). (Annexure A)

II. Issue a writ in the nature of Certiorari or any other appropriate writ, order, or direction to quash the notice bearing No. KENGERIPS/CRNO-489/2025 issued under Section 94 of the Bharatiya Nagarik Suraksha Sanhita, 2023 dated 09.10.2025 issued by Respondent No. 1 Police (hereinafter referred to as "the Notice dated 09.10.2025"). (Annexure B)

III. Issue a writ in the nature of Certiorari or any other appropriate writ, order, or direction



to quash the notice bearing No. KENGERIPS/CRNO-489/2025 issued under Section 94 of the Bharatiya Nagarik Suraksha Sanhita, 2023 dated 09.10.2025 issued by Respondent No. 1 Police (hereinafter referred to as "the Notice dated 09.10.2025"). (Annexure C)

IV. Pass such other and further order(s) or direction(s) as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case and in the interest of Justice.

2. The Petitioner lodged a complaint alleging that the accused, Smt. Ashwini, had been employed with Karur Vysya Bank, Kengeri Branch, since the year 2022 and was functioning as Assistant Manager as well as Customer Service Officer / Jewellery Loan Officer. It is stated that during a surprise re-appraisal conducted on 06.10.2025 and 07.10.2025, serious irregularities were detected in relation to gold loan accounts handled by the said Smt. Ashwini. Upon verification, it was allegedly found that she had indulged in acts amounting to theft and criminal breach of trust, by clandestinely removing genuine gold ornaments pledged by customers and replacing



them with spurious articles. Such fake articles were found in 34 gold loan packets, involving approximately 3.398 kilograms of gold ornaments, valued at around ₹3 crores, on the basis of which the complainant Bank had disbursed loans aggregating to ₹1.73 crores. It is further alleged that 17 jewel loan packets were found missing altogether, which were stated to contain approximately 1.557 kilograms of gold ornaments, valued at about ₹1.5 crores, in respect of which loans to the tune of ₹89.01 lakhs had been sanctioned and disbursed.

3. On the basis of the said complaint, an FIR in Crime No.0489/2025 came to be registered for offences punishable under Sections 316(2), 316(5) and 318(4) of the Bharatiya Nagarik Nyaya Sanhita, 2023 (hereinafter referred to as "BNNS").
4. The Petitioner asserts that it is a leading financial services institution engaged in providing a diverse range of credit facilities, including home loans, gold



loans, business loans and loans against property, catering to both retail and corporate customers. It is stated that every loan is sanctioned only after due scrutiny and verification of the pledged security, including gold articles. Each borrower is allotted a unique customer identification number, and for every individual loan transaction, a separate loan account is maintained.

5. It is further contended that Smt. Ashwini and her husband, Sri. Ravi Naik, had initially approached the Petitioner in the year 2022 and availed a gold loan, which was duly repaid within the stipulated period, upon which the pledged gold ornaments were returned to Smt. Ashwini. Thereafter, on 04.10.2024, Smt. Ashwini again approached the Petitioner for availing a gold loan by pledging gold ornaments. After following the prescribed procedure and scrutinising the pledged articles, the Petitioner sanctioned and disbursed the loan on the said date.



6. Subsequently, Smt. Ashwini and her husband approached the Petitioner on multiple occasions to avail further loans against the pledge of gold ornaments. Taking into account the prior transactions and the alleged long-standing relationship, the Petitioner accepted the pledged gold and sanctioned loans after conducting what is stated to be due scrutiny and verification.
7. A tabular statement placed on record indicates that Smt. Ashwini availed loans aggregating to ₹61,76,822/-, while Sri. Ravi Naik availed loans to the extent of ₹11,24,400/-. The Petitioner claims that it bona fide believed the said borrowers to be genuine and trustworthy and expected them to honour their financial obligations by clearing the outstanding dues and redeeming the pledged gold.
8. On 08.10.2025, Respondent No.1 – Kengeri Police Station issued a notice under Section 94 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (BNSS)



calling upon the Manager of the Petitioner-institution to furnish bank account statements and KYC documents pertaining to Smt. Ashwini and Sri. Ravi Naik in connection with Crime No.489/2025. Subsequently, on 09.10.2025, two separate notices under Section 94 of BNSS, 2023 were issued, directing the Manager of the Petitioner to appear in person on 10.10.2025 and to furnish details relating to the dates of pledge, quantity and value of gold pledged, documents submitted by the borrowers at the time of availing the loans, loan account particulars, and documents obtained at the time of sanction. The Petitioner was also directed to produce the gold articles pledged by Smt. Ashwini and Sri. Ravi Naik for the purpose of investigation.

9. It is asserted that only upon receipt of the said notices did the Petitioner become aware of the alleged fraudulent activities of the accused. It is contended that if the pledged gold is handed over



and seized by the investigating agency, the Petitioner would be left without any subsisting security in respect of the outstanding loan amounts. It is in this factual background that the Petitioner has approached this Court seeking the above reliefs.

10. Subsequently, the Petitioner filed an amendment application in I.A. No.1/2025, which came to be allowed by order dated 15.12.2025. Pursuant thereto, the Petitioner gave up the reliefs originally sought at Sl. Nos. (i), (ii) and (iii) and confined the challenge only to the reliefs as modified by way of the amendment.

11. Sri. Anish Jose Antony, learned counsel appearing for the Petitioner submits that,

11.1.It is contended that there is no dispute regarding the commission of offences by the accused persons, which attract the penal provisions under Sections 316(2), 316(5) and 318(4) of the Bharatiya Nagarik Nyaya Sanhita,



2023. However, it is urged that the Petitioner is a secured creditor, having advanced loans to the accused persons aggregating to ₹73,01,222/-, against which gold ornaments were pledged as security. It is submitted that as on 09.10.2025, the outstanding dues stood at ₹85,59,000/-. Learned counsel would submit that if the pledged gold articles are seized by Respondent No.1, the Petitioner would be divested of its security and rendered remediless, thereby frustrating its right to recover the loan amount. Emphasis is placed on the fact that the loans were sanctioned strictly on the basis of the assessed value of the pledged gold and, therefore, the Petitioner's financial and proprietary interest in the said articles deserves protection.

11.2. It is further contended that the Petitioner, being a bona fide financier, accepted the pledged gold



in good faith and disbursed the loan amounts only after conducting due scrutiny and verification in the ordinary course of business.

11.3. In so far as the investigation is concerned, learned counsel submits that the Petitioner is fully prepared to cooperate with the investigating agency by furnishing all requisite documents and particulars relating to the pledged gold articles, subject to the condition that the said gold is not seized.

11.4. The notice issued under Section 94 of the Bharatiya Nagarik Suraksha Sanhita, 2023 is vitiated by malice and ulterior motive, and that its continuance would amount to a gross abuse of the process of law.

11.5. No seizure can be effected without strict compliance with the procedure contemplated under Section 107 of the BNSS, 2023. Any such seizure, according to learned counsel, would



violate the Petitioner's fundamental right to carry on trade and business under Article 19(1)(g), the right to life and livelihood under Article 21, and the constitutional protection of property under Article 300A of the Constitution of India.

11.6. On the basis of these submissions, it is submitted that the amended reliefs sought by the Petitioner deserve to be granted.

11.7. In this regard, he relies upon the decision of this court dated 14.10.2025 in WP No.30942 of 2025 [**FEDBANK FINANCIAL SERVICES LTD. -vs- STATE OF KARNATAKA AND OTHERS**], more particularly para 5 thereof, which is reproduced hereunder for easy reference:

"5. The petitioner, in my considered opinion, cannot have such a grievance in view of Section 107(1) of the Bharatiya Nagarik Suraksha Sanhita, 2023. Inasmuch as if any seizure is to be made of any stolen article, necessary application would have to be made before the learned Magistrate and permission obtained. That being so, respondents cannot seize any article without such permission being obtained."



- 11.8. By relying on the decision in **Fedbank Financial Services Ltd's case**, he submits that for any action to be taken under Section 107, orders from the jurisdictional magistrate are essential. Without such an order, no seizure can be made. He therefore submits that the procedure under Section 107 is required to be followed.
- 11.9. On all the above basis he submits that the writ petition is required to be allowed.
12. Sri.Balasubrahmanya.K.M, learned counsel for the respondent No.2 submits that,
- 12.1.The gold articles pledged with the Petitioner constitute stolen property, belonging to the customers of Respondent No.2. Consequently, it is urged that Respondent No.2 is under a legal obligation to restore the said gold to its customers. The Petitioner, therefore, cannot



assert any right, whether by way of security interest or otherwise, over gold that is alleged to be stolen property.

12.2. It is further submitted that Respondent No.2 had verified the ownership and authenticity of the gold articles prior to sanctioning jewel loans to its customers, whereas the Petitioner failed to undertake such verification and nonetheless proceeded to disburse loans against the said gold.

12.3. The Petitioner, having received stolen goods and advanced loans on the basis of such stolen property, is not entitled to any protection as sought for in the writ petition, including the reliefs claimed pursuant to the amendment application.

12.4. In this regard, he relies upon the decision of this Court in ***Muthoot Finance Limited, rep by its Authorised Officer Sri. Ajumon P.***



George vs. State of Karnataka by its Secretary and Another¹, more particularly para 9 thereof, which is reproduced hereunder for easy reference:

9. In that view of the matter, directing the petitioner to co-operate with the Investigating Officer and make available all the details relating to the pledge as also permit the inspection of the gold, which if required the Investigation Officer can take receipt of and deposit with the Court seized of the matter, on coming to the conclusion that the said gold is stolen, it is made clear that the police officer cannot retain the gold in his possession, but would have to deposit the same with the court seized of the matter. The court seized of the matter while considering any application for release of the gold or at the time when the court were to pass an order of release for any reason whatsoever, would have to issue notice to the Petitioner and afford an opportunity of hearing to the petitioner before ordering the release. With the above observations, the writ petition stands disposed of.

12.5. He also relies upon another decision of this Court in Muthoot Money Limited, Rep by its Authorised Officer and Assistant Manager in Charge **Mr. Hanamantha Yallappa Girijannavar vs. State of Karnataka, By its**

¹ 2024 SCC Online Karnataka 2531



Secretary, Home Department², more particularly para 8, 9 and 11 thereof, which are reproduced hereunder for easy reference:

8. *The High Court of Madras in MUTHOOT FINCORP LIMITED v. INSPECTOR OF POLICE², has held as follows:*

"....."

13. It is seen that the accused was arrested by the 1st respondent Police, the accused gave confession. In his confession, he disclosed about the pledging of jewels with the petitioners, which were stolen by him from the house of the 2nd respondent. The accused gave the bill particulars of the jewels, which were pledged with the petitioners and the bill particulars. Thereafter, the 1st respondent Police issued summons on 11.08.2015 as per law. The petitioners are duty bound to produce the book of account, records, files and documents, which are necessary for investigation. Once it is proved that the jewels are stolen, the same are to be delivered to the police, if it is required.

14. In view of the same, the petitioners cannot raise any objection for issuance of summons and production of books and jewels. If the petitioners are aggrieved and feel that they have right over the properties, they can approach the concerned Court, to safeguard and secure their rights by filing appropriate petition. If the petitioners or any other person filed a petition seeking interim custody of the jewels, the concerned Court to issue notice to them and after enquiry to pass appropriate orders.

² 2025 SCC Online Kar 10077



15. With the above observation, this Criminal Original Petition is disposed of. In view of the long pendency of FIR, the 1st respondent Police is to file a charge sheet within two months from the date of receipt of a copy of this order, before the concerned Court. The concerned Court is to conclude the trial within a period of three months from the date of filing of charge sheet. Consequently, the connected Criminal Miscellaneous Petition is closed."

(Emphasis supplied)

9. *Another coordinate bench in the case of MUTHOOT FINANCE LIMIED v. STATE OF KARNATAKA3, has held as follows:*

"....

7. During investigation, the Investigating Officer would be required to ascertain various aspects including the ownership of the said gold and it is for the Court seized of the matter to decide as to in whose favour the gold has to be returned, if an application under Section 454 of the earlier Code of Criminal Procedure and now Section 500 of the BNSS were to be filed. Of course, at that time the petitioner can always place its rights and claims before the said Court for being decided. The true owner of the gold cannot be deprived of the use of the gold, merely because the same is pledged with a gold finance company after being stolen from such true owner. The Gold Finance Company is vested with a duty to carry out proper due diligence before accepting the gold as a pledge for a loan disbursed.

8. There are innumerable matters coming up before this court where stolen gold is pledged with a gold finance company. I'am of the considered opinion that this aspect would have to be examined by the concerned authorities and proper guidelines have to be formulated in relation to such pledging of gold,



ascertainment of ownership, identity of the person pledging the gold, implication of pledging stolen gold, manner of dealing with such gold when criminal proceedings are taken up etc.,. Therefore, I request the Law Commission, Karnataka to look into this matter and formulate necessary guidelines/rules or the like as deemed fit.

9. In that view of the matter, directing the petitioner to co-operate with the Investigating Officer and make available all the details relating to the pledge as also permit the inspection of the gold, which if required the Investigation Officer can take receipt of and deposit with the Court seized of the matter, on coming to the conclusion that the said gold is stolen, it is made clear that the police officer cannot retain the gold in his possession, but would have to deposit the same with the court seized of the matter. The court seized of the matter while considering any application for release of the gold or at the time when the court were to pass an order of release for any reason whatsoever, would have to issue notice to the Petitioner and afford an opportunity of hearing to the petitioner before ordering the release. With the above observations, the writ petition stands disposed of."

(Emphasis supplied)

The coordinate bench holds that the true owner of the gold cannot be deprived of the use of gold, merely because it is pledged with the finance company. The petitioner can approach the concerned trial Court seized of the matter and file an application under Sections 451 and 457 of the Cr.P.C. and place its rights and claims before the said Court.

11. *In the light of the law laid down by the coordinate benches and the division bench of other High Court, the unmistakable inference is non-*



entertainment of petition qua the prayer that is sought. It is for the petitioner at every instance to knock at the doors of the concerned Court by filing applications for release of gold. In the event of such an application is filed, the concerned Court in consonance with the principles of natural justice, shall pass necessary orders in accordance with law. Except the aforesaid observation, no other prayer of the petitioner would merit consideration.

12.6. By placing reliance on the aforesaid judgments, it is submitted that this Court has, in comparable fact situations, disposed of similar petitions by directing the petitioners therein to cooperate with the investigating agency, furnish all particulars relating to the pledge transactions, and permit inspection of the gold articles. It is further submitted that, where the circumstances so warranted, this Court has recognised the authority of the investigating officer to take custody of the gold articles, issue a proper receipt, and deposit the same before the jurisdictional court seized of the matter. Upon completion of the trial, and subject to a



finding that the gold constitutes stolen property, the court concerned would be competent to pass such orders as the ends of justice may require.

12.7. On the aforesaid premises, it is contended that the Petitioner cannot legitimately raise any grievance with respect to the notice issued under Section 94 of the Bharatiya Nagarik Suraksha Sanhita, 2023, and is bound to comply with the same by furnishing the details sought for therein.

13. Smt.K.P.Yashodha, learned AGA appearing for respondent No.1-investigating officer submits that,

13.1. Pursuant to the lodging of the complaint, Crime No.489/2025 came to be registered, whereupon investigation was lawfully commenced. In the course of such investigation, it was revealed that the accused had pledged gold articles,



allegedly stolen from Karur Vysya Bank – Respondent No.2, with the Petitioner.

13.2. In this factual backdrop, the investigating agency found it necessary to call upon the Petitioner to furnish various particulars and details relevant to the pledge transactions and the gold articles in question.

13.3. Learned counsel submits that the Petitioner is under a statutory obligation to cooperate with the investigation and to make available all relevant information and materials sought by the investigating officer.

13.4. It is contended that the Petitioner, being in possession of property alleged to be stolen, cannot claim any exemption from the investigative process. If, upon investigation, the gold articles are found to be stolen property, they are liable to be restored to the rightful owner. The pledgers being accused



persons in the aforesaid crime, and having no lawful title over the gold, could not have conveyed a better right or interest in favour of the Petitioner by pledging such stolen property.

13.5. It is further submitted that, at this stage, the gold articles are required to be produced before the investigating officer to enable verification and completion of the investigation in accordance with law. Without production of the gold articles, the factum of theft cannot be effectively established, and the investigation would be rendered incomplete. It is for this reason that the production of the gold articles has been lawfully sought by Respondent No.1.

14. Heard Sri.Anish Jose Antony, learned counsel for the petitioner, Smt.K.P.Yashoda, learned AGA for respondent No.1 and Sri.Balasubrahmanya.K.M, learned counsel for respondent No.2. Perused papers.



15. The points that would arise for consideration are;
1. **Whether during the process of investigation, the allegation being that stolen gold has been pledged with the petitioner, the petitioner can have any grievance as regards the notice issued under Section 94 of the BNSS?**
 2. **Whether the petitioner can have any reason, justification or the like for non-production of the alleged stolen gold articles before the investigating officer?**
 3. **Whether the investigating officer can seize the gold articles during the course of investigation and as regards which, can the petitioner have any objection?**
 4. **What order?**

16. I answer the above points as follows:

17. **Answer to point No.1: Whether during the process of investigation, the allegation being that stolen gold has been pledged with the petitioner, the petitioner can have any grievance as regards the notice issued under Section 94 of the BNSS?**

17.1. Section 94 of the BNSS is reproduced hereunder for easy reference:

94. *Summons to produce document or other thing:* (1) *Whenever any Court or any officer in*



charge of a police station considers that the production of any document, electronic communication, including communication devices which is likely to contain digital evidence or other thing is necessary or desirable for the purposes of any investigation, inquiry, trial or other proceeding under this Sanhita Appeal from order rejecting application for restoration of attached property. Issue of warrant in lieu of, or in addition to, summons. Power to take bond for appearance. Arrest on breach of bond for appearance. Provisions of this Chapter generally applicable to summonses and warrants of arrest. Summons to produce document or other thing. 5 10 15 20 25 30 35 40 45 27 by or before such Court or officer, such Court or officer may, by a written order, either in physical form or in electronic form, require the person in whose possession or power such document or thing is believed to be, to attend and produce it, or to produce it, at the time and place stated in the summons or order.

(2) Any person required under this section merely to produce a document, or other thing shall be deemed to have complied with the requisition if he causes such document or thing to be produced instead of attending personally to produce the same.

(3) Nothing in this section shall be deemed—

(a) to affect sections 129 and 130 of the Bharatiya Sakshya Adhinyam, 2023 or the Bankers' Books Evidence Act, 1891; or

(b) to apply to a letter, postcard, or other document or any parcel or thing in the custody of the postal authority.

17.2.A plain and purposive reading of sub-section

(1) of Section 94 makes it manifest that whenever a Court or an officer in charge of a



police station forms an opinion that the production of any document, electronic communication, or other thing is necessary or desirable for the purposes of any investigation, inquiry, trial or other proceeding under the Sanhita, such authority is empowered to issue a written order requiring the person in whose possession or control such material is believed to be, to produce the same at the specified time and place.

17.3. The provision is deliberately worded in broad terms to ensure that investigation into cognisable offences is not thwarted by technical objections or premature assertions of civil or contractual rights.

17.4. Sub-section (2) of Section 94 further clarifies that where a person is required merely to produce a document or thing, compliance is complete upon such production, even without



personal appearance. Section 94, therefore, contemplates a limited but essential investigative power, namely, requisition for production, which is conceptually and legally distinct from seizure, attachment, or confiscation.

17.5. In the present case, it is not in dispute that Smt. Ashwini and Sri. Ravi Naik pledged gold articles with the Petitioner. While the Petitioner has produced a statement indicating the amounts disbursed, the said statement conspicuously omits critical particulars such as:

- 17.5.1. The dates of pledge,
- 17.5.2. The quantity and description of gold pledged,
- 17.5.3. Verification made by the petitioner at the time of each pledge, and
- 17.5.4. the identifying features of the gold articles.



17.6. Crime No.489/2025 has been registered by the Kengeri Police Station for offences under Sections 316(2), 316(5) and 318(4) of the BNSS, which relate to grave economic offences involving breach of trust, cheating, and misappropriation. The notice issued under Section 94 is directly traceable to the need to investigate whether the gold pledged with the Petitioner is the same gold allegedly stolen from the customers of Respondent No.2.

17.7. The notice issued in so far as Smt.Ashwini is concerned, is reproduced hereunder for easy reference:

ಪೊಲೀಸ್ ನೋಟೀಸ್

(ಕಲಂ: 94 ಬಿ.ಎನ್.ಎಸ್.ಎಸ್-2023 ರೀತ್ಯಾ)

ಈ ಮೂಲಕ ನಿಮಗೆ ತಿಳಿಯಪಡಿಸುವುದೇನೆಂದರೆ ದಿನಾಂಕ: 07.10.2025
ಪಿರ್ಯಾದುದಾರರಾದ ಶ್ರೀ. ಮಹೇಶ್ ಚಿಂತಕಯಾಲ ಬಿನ್ ಸಿ. ಮಾದಯ್ಯ, 37 ವರ್ಷ,
ಬ್ರಾಂಚ್ ಹೆಡ್, ಕರೂರು ವೈಶ್ಯಬ್ಯಾಂಕ್, ಕೆಂಗೇರಿ ಬೆಂಗಳೂರು ರವರು ನೀಡಿದ ದೂರಿನ



ಮೇರೆಗೆ ಮೊ.ಸಂ: 489/2025 ಕಲಂ: 316(2), 316(5), 318(4) ಬಿ.ಎನ್.ಎಸ್ ರೀತ್ಯಾ ಪ್ರಕರಣ ದಾಖಲಾಗಿ ತನಿಖೆಯಲ್ಲಿರುತ್ತದೆ.

ಈ ಪ್ರಕರಣದ ಎ| ಆರೋಪಿತ ಶ್ರೀಮತಿ ಅಶ್ವಿನಿ ಎಂ ಬಿನ್ ರವಿ ನಾಯಕ್. 34 ವರ್ಷ, ನಂ 1713, ಮನೆ ನಂ 102, ಸಹ್ಯಾದ್ರಿ ಅಪಾರ್ಟ್ ಮೆಂಟ್, ಸೊಣ್ಣೆನಹಳ್ಳಿ, ಸರ್ ಎಂ ವಿಶ್ವೇಶ್ವರಯ್ಯ ಲೇಔಟ್, ಬೆಂಗಳೂರು-56 ಮೊ.ನಂ 9739894011 ರವರು ಕರೂರು ವೈಶ್ಯ ಬ್ಯಾಂಕ್ ಕೆಂಗೇರಿ ಬ್ರಾಂಚ್ ನಲ್ಲಿ ಅಸಿಸ್ಟೆಂಟ್ ಮ್ಯಾನೇಜರ್ ಆಗಿ ಕೆಲಸ ಮಾಡುತ್ತಿದ್ದು ಸದರಿ ಆರೋಪಿತೆಯು ಕರೂರು ವೈಶ್ಯ ಬ್ಯಾಂಕ್‌ನಲ್ಲಿ ಗ್ರಾಹಕರು ಗಿರವಿ ಇಟ್ಟು ಚಿನ್ನದ ವಡವೆಗಳನ್ನು ದುರುಪಯೋಗಪಡಿಸಿಕೊಳ್ಳುವ ಉದ್ದೇಶದಿಂದ ಗ್ರಾಹಕರು ಗಿರವಿ ಇಟ್ಟು ಅಸಲಿ ಚಿನ್ನದ ವಡವೆಗಳ ಬದಲಿಗೆ ನಕಲಿ ಚಿನ್ನದ ವಡವೆಗಳನ್ನು ಇಟ್ಟು ಅಸಲಿ ಚಿನ್ನದ ವಡವೆಗಳನ್ನು ತೆಗೆದುಕೊಂಡು ನಿಮ್ಮ ಬ್ರಾಂಚ್ ನಲ್ಲಿ ಗಿರವಿ ಇಟ್ಟಿರುವ ಬಗ್ಗೆ ವಿಚಾರಣೆ ವೇಳೆ ತಿಳಿಸಿರುತ್ತಾರೆ.

ಈ ಪ್ರಕರಣಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ಈ ಕೆಳಕಂಡಂತೆ ಮಾಹಿತಿ/ದಾಖಲೆ/ಚಿನ್ನದ ವಡವೆಗಳೊಂದಿಗೆ ತನಿಖೆಗೆ ಹಾಜರಾಗಲು ಸೂಚಿಸಿದೆ.

1) ಆರೋಪಿತೆ ಅಶ್ವಿನಿ ಎಂ ರವರು ತಮ್ಮ ಪೈನಾನ್ಸ್ ನಲ್ಲಿ ಯಾವ ದಿನದಂದು ಚಿನ್ನದ ವಡವೆಗಳನ್ನು ಗಿರವಿ ಇಟ್ಟಿರುತ್ತಾರೆ ? ಎಷ್ಟು ಚಿನ್ನದ ವಡವೆಗಳನ್ನು ಗಿರವಿ ಇಟ್ಟು ಎಷ್ಟು ಹಣ ಪಡೆದುಕೊಂಡಿರುತ್ತಾರೆ ? ಲೋನ್ ಸಮಯದಲ್ಲಿ ನೀಡಿರುವ ದಾಖಲೆಗಳನ್ನು ಲೋನ್ ಅಕೌಂಟ್ ಡೀಟೆಲ್ಸ್ ಅನ್ನು ನೀಡುವುದು.

2) ಲೋನ್ ಹಣವನ್ನು ಆರೋಪಿತೆಯು ಯಾವ ಅಕೌಂಟ್ ಗೆ ಹಣ ವರ್ಗಾವಣೆ ಮಾಡಿರುತ್ತಿರಿ ಎಂಬ ಬಗ್ಗೆ ಮಾಹಿತಿ ನೀಡುವುದು

3) ಆರೋಪಿತೆ ಅಶ್ವಿನಿ ಎಂ ರವರು ನಿಮ್ಮ ಬ್ರಾಂಚ್ ಗೆ ಚಿನ್ನದ ವಡವೆಗಳನ್ನು ಗಿರವಿ ಇಡಲು ಬಂದ ಸಮಯದ ಸಿಸಿಟಿವಿ ಫುಟೇಜ್ ಮಾಹಿತಿ ನೀಡುವುದು.

4) ಆರೋಪಿತೆ ಅಶ್ವಿನಿ ಎಂ ರವರು ತಮ್ಮ ಬ್ರಾಂಚ್ ನಲ್ಲಿ ಗಿರವಿ ಇಟ್ಟಿರುವ ಚಿನ್ನದ ವಡವೆಗಳು ಕರೂರು ವೈಶ್ಯ ಬ್ಯಾಂಕ್ ಕೆಂಗೇರಿ ಬ್ರಾಂಚ್ ನಲ್ಲಿ ಗ್ರಾಹಕರು ಗಿರವಿ ಇಟ್ಟಿದ್ದ ಚಿನ್ನದ ವಡವೆಗಳಾಗಿರುವುದರಿಂದ ಸದರಿ ಚಿನ್ನದ ವಡವೆಗಳನ್ನು ತನಿಖೆ ಸಲುವಾಗಿ ಹಾಜರುಪಡಿಸುವುದು.



ಈ ಮೇಲ್ಕಂಡಂತೆ ಕೇಳಿರುವ ಮಾಹಿತಿಯನ್ನು, ದೃಢೀಕರಿಸಿದ ದಾಖಲೆಗಳನ್ನು ಹಾಗೂ ಆರೋಗ್ಯ ಅಶಿನಿ ಎಂ ರವರು ಗಿರವಿ ಇಟಿರುವ ಚಿನ್ನದ ವಡವೆಗಳೊಂದಿಗೆ ದಿನಾಂಕ 10-10-2025 ರಂದು ಲೋಕ 10-00 ಗಂಟೆಗೆ ಈ ಕೆಳಗೆ ಸಹಿ ಮಾಡಿರುವ ತನಿಖಾಧಿಕಾರಿಯಾದ ನನ್ನ ಮುಂದೆ ಕೆಂಗೇರಿ ಪೊಲೀಯ ರಾಣೆಯಲ್ಲಿ ಹಾಜರಾಗಿ ತನಿಖೆಗೆ ಸಹಕರಿಸಲು ಈ ಮೂಲಕ ನಿಮಗೆ ಸೂಚಿಸಿದೆ.

(ಈಶ್ವರ್ ಬೆ ವಣ್ಣರ)

ಪೊಲೀಸ್ ಸಬ್ ಇನ್ಸ್ ಪೆಕ್ಟರ್
ಕೆಂಗೇರಿ ಪೊಲೀಸ್

17.8.A perusal of the notice demonstrates that

Respondent No.1 has sought:

- 17.8.1. details of the pledge transactions,
- 17.8.2. loan account particulars,
- 17.8.3. CCTV footage capturing the act of pledge, and
- 17.8.4. production of the gold articles themselves.

17.9. These requisitions are very much required for investigation and cannot be characterised as excessive or extraneous.



17.10. At this stage, it bears emphasis that the true victims of the alleged offence are the customers of Respondent No.2, whose gold ornaments, often accumulated through years of savings, inheritance, or familial hardship, are alleged to have been surreptitiously replaced or misappropriated. Gold ornaments, particularly in the Indian social context, are not mere commercial commodities; they frequently represent:

17.10.1. matrimonial security,

17.10.2. family heirlooms,

17.10.3. emergency savings, and

17.10.4. assets pledged in times of acute financial distress.

17.11. The continued deprivation of such gold causes real and continuing suffering to the true owners, both economic and emotional. The



criminal justice system, while safeguarding procedural fairness, cannot lose sight of the fact that investigation into such offences is ultimately directed towards restoration of property to its rightful owners and vindication of their rights.

17.12. If the gold articles alleged to be stolen are not produced before the investigating officer, the investigation would be rendered sterile. The identity of the gold, its correspondence with the stolen articles, and the chain of custody cannot be established through documents alone. Without such verification, the suffering of the true owners would be prolonged, and the possibility of restitution effectively foreclosed.

17.13. The apprehension expressed by the Petitioner that production of the gold would result in loss of its security interest is, at this juncture, misplaced. The notice issued under Section 94



does not order seizure, attachment, or disposal. It merely seeks production for the purpose of investigation. Any subsequent step, such as seizure under Section 107, would necessarily have to be taken strictly in accordance with law and subject to judicial oversight.

17.14. More importantly, the Petitioner's asserted security interest, even if assumed to exist contractually, cannot override the superior claim of the true owner of stolen property. A pledge created by an accused person who had no lawful title to the gold cannot defeat the rights of the original owner, nor can it impede a lawful criminal investigation.

17.15. The balance of convenience and justice, therefore, lies decisively in favour of permitting the investigation to proceed unhindered. The criminal process cannot be stalled on the basis of speculative commercial prejudice,



particularly when such stalling would perpetuate the suffering of innocent victims whose property has allegedly been stolen.

17.16. Where, in the course of investigation into cognisable offences involving theft and criminal breach of trust, gold articles alleged to be stolen are found to have been pledged with a third party, such gold constitutes the subject-matter of investigation and falls within the expression "other thing" under Section 94(1) of the Bharatiya Nagarik Suraksha Sanhita, 2023. An investigating officer is, therefore, statutorily empowered to issue a notice requiring production of such gold and connected records from the person in whose possession the same is believed to be.

17.17. A notice issued under Section 94 BNSS merely facilitates investigation by requiring production and does not, by itself, amount to seizure,



attachment, or adjudication of proprietary rights. Consequently, the recipient of such notice cannot claim any legally sustainable grievance on the basis of apprehended loss of security interest, commercial prejudice, or competing civil claims. The investigative necessity to verify the identity, origin, and ownership of alleged stolen property, and to enable eventual restitution to the true owners, prevails over contractual or financial interests of the person in possession.

17.18. Accordingly, I answer Point No.1 by holding that the Petitioner has no legally sustainable grievance against the notice issued under Section 94 of the Bharatiya Nagarik Suraksha Sanhita, 2023. The notice is within the statutory competence of the investigating officer, is reasonable in scope, and is indispensable for effective investigation into the



alleged theft and for eventual restoration of property to the rightful owners. The Petitioner is bound to comply with the said notice in accordance with law.

18. **Answer to point No.2: Whether the Petitioner can have any reason, justification or the like for non-production of the alleged stolen gold before the investigation officer?**

18.1. From the discussion and findings recorded while answering Point No.1, it stands conclusively established that the gold articles pledged with the Petitioner are alleged to be stolen property and constitute the core subject-matter of Crime No.489/2025. The Petitioner admittedly remains in possession of the said gold by virtue of pledge transactions entered into with the accused persons. Once such possession is admitted, the Petitioner is legally and statutorily bound to submit to the investigative process and produce the property before the



investigating officer when lawfully called upon to do so.

18.2. At the outset, this Court finds no merit in the Petitioner's attempt to characterise itself solely as a "secured creditor" and thereby claim immunity from criminal investigation. Criminal law does not recognise contractual status as a shield against investigation. The moment property in possession is alleged to be stolen, the nature of the possession ceases to be purely civil or commercial and becomes subject to criminal scrutiny.

18.3. The plea of the Petitioner that it is a bona fide lender acting in the ordinary course of business does not confer any legal justification for non-production. Bona fides, if any, are not presumed; they must be demonstrated through conduct. The only legally recognised manner in which such bona fides can be established is by



unconditional cooperation with the investigation, including production of the alleged stolen property. Any reluctance, resistance, or conditional compliance directly undermines the claim of good faith.

18.4. The argument that the gold constitutes security for recovery of loan dues is wholly untenable in criminal law. A pledge created by a person who had no lawful title to the property is void against the true owner. A pledgee cannot acquire a better right than that possessed by the pledger. Therefore, even assuming the Petitioner acted without knowledge of theft, such absence of knowledge does not elevate its contractual interest above:

- 18.4.1. the statutory power of investigation, or
- 18.4.2. the proprietary right of the true owner.



- 18.5. Security interest is a creature of contract; investigation into theft is a mandate of statute. The latter unquestionably prevails.
- 18.6. The Petitioner's apprehension that production of the gold would result in loss of security or commercial prejudice is legally irrelevant at the stage of investigation. Criminal procedure is not subordinated to commercial convenience. The BNSS does not recognise "financial exposure" or "loan recovery difficulty" as valid grounds to withhold stolen property from investigation.
- 18.7. Moreover, the notice under Section 94 BNSS does not effect seizure, attachment, or confiscation. It merely calls for production. Any subsequent action, if warranted, must follow Section 107 BNSS and would remain subject to judicial oversight. Thus, the Petitioner's plea of irreversible prejudice is speculative and premature.



18.8. The constitutional objections raised or implied by the Petitioner, whether under Article 19(1)(g), Article 21, or Article 300A, are equally devoid of substance. Reasonable restrictions in aid of criminal investigation are well-recognised exceptions to all three provisions. Production of property pursuant to statutory notice:

18.8.1. does not infringe the right to trade,

18.8.2. does not violate life or personal liberty,
and

18.8.3. does not amount to deprivation of
property without authority of law.

18.9. On the contrary, refusal to comply would amount to obstruction of justice, which enjoys no constitutional protection.

18.10. The contention that the Petitioner should be permitted to retain possession until



adjudication of civil rights is fundamentally misconceived. Criminal investigation precedes civil adjudication, not vice-versa. Determination of ownership, restitution, or competing claims can arise only after investigation establishes whether the gold is stolen and identifies its rightful owner. Allowing the Petitioner to retain possession pending such determination would:

18.10.1. impede investigation,

18.10.2. perpetuate deprivation of the true owners, and

18.10.3. create a perverse incentive to convert stolen property into pledged assets.

18.11. Equally untenable is any implied suggestion that the Petitioner is a neutral third party entitled to special protection. Once a person is found to be in possession of property alleged to be stolen, such person stands in the position of



a receiver of stolen property for investigative purposes, irrespective of intent. Continued possession coupled with refusal to produce may expose such person to further legal consequences. Criminal law does not countenance selective cooperation.

18.12. This Court must also emphasise the suffering and continuing prejudice of the true owners of the gold. The victims, customers of Respondent No.2, have already been deprived of their gold through alleged criminal acts involving breach of trust. Many such ornaments represent lifetime savings, matrimonial security, or ancestral property. Any delay in production of the gold prolongs their hardship and frustrates the core objective of criminal law, namely, restitution and restoration.



- 18.13. The interests of an institutional lender, however legitimate in the civil sphere, cannot outweigh the rights of innocent victims of crime.
- 18.14. Finally, permitting non-production on grounds urged by the Petitioner would set a dangerous precedent whereby stolen property could be immunised from investigation merely by being routed through financial institutions. Such an outcome would strike at the very root of criminal justice administration and cannot be countenanced by this Court.
- 18.15. A person or institution in possession of property alleged to be stolen, including a gold loan company holding such property by way of pledge, has no legal right to refuse or delay production of the property when lawfully required by the investigating officer under Section 94 of the Bharatiya Nagarik Suraksha Sanhita, 2023. The statutory power to require



production of a “thing” necessary or desirable for investigation prevails over all contractual, commercial, or equitable claims, including a pledgee’s asserted security interest.

18.16. A pledge created by an accused who had no lawful title cannot confer a better right upon the pledgee than that possessed by the pledger, and such contractual arrangements cannot impede criminal investigation or defeat the superior claim of the true owner of stolen property. Claims of bona fide lending, apprehended financial loss, or pending civil rights do not constitute lawful justification for non-production of alleged stolen property.

18.17. Production of property under Section 94 BNSS, being investigatory in nature and not amounting to seizure or deprivation of property, does not violate Articles 19(1)(g), 21, or 300A of the Constitution. Refusal to produce



alleged stolen property obstructs investigation and prolongs deprivation suffered by the true owners, whose restitution is a fundamental objective of criminal law.

18.18. Accordingly, I answer Point No. 2 by holding that the Petitioner has absolutely no reason, justification, or lawful basis to refuse, delay, or condition the production of the alleged stolen gold before the investigating officer. All contentions founded on security interest, contractual rights, bona fides, constitutional protections, or commercial hardship are hereby rejected. The Petitioner is under a clear statutory obligation to comply with the notice issued under Section 94 of the Bharatiya Nagarik Suraksha Sanhita, 2023, and to produce the gold articles forthwith for the purposes of investigation and eventual



restitution to the rightful owners, in accordance with law.

19. **Answer to Point No.3: Whether the investigation officer can seize the gold articles during the course of investigation and as regards which, can the Petitioner have any objection?**

19.1. The apprehension expressed by the Petitioner is that upon production of the gold articles pursuant to the summons issued under Section 94 of the Bharatiya Nagarik Suraksha Sanhita, 2023, the same would be seized by Respondent No.1. This apprehension, though projected as a grievance, in fact underscores the very purpose of criminal investigation where property alleged to be stolen is traced and recovered.

19.2. At the outset, it is necessary to reiterate that a summons under Section 94 merely facilitates production and does not by itself authorise or effect seizure. The power of seizure is independently traceable to Section 106 of the



BNSS, which operates at a subsequent and distinct stage.

19.3. Section 106 of the BNSS provides the power to a police officer to seize certain property which reads as under:

106. Power of police officer to seize certain property- (1) Any police officer may seize any property which may be alleged or suspected to have been stolen, or which may be found under circumstances which create suspicion of the commission of any offence.

(2) Such police officer, if subordinate to the officer in charge of a police station, shall forthwith report the seizure to that officer.

(3) Every police officer acting under sub-section (1) shall forthwith report the seizure to the Magistrate having jurisdiction and where the property seized is such that it cannot be conveniently transported to the Court, or where there is difficulty in securing proper accommodation for the custody of such property, or where the continued retention of the property in police custody may not be considered necessary for the purpose of investigation, he may give custody thereof to any person on his executing a bond undertaking to produce the property before the Court as and when required and to give effect to the further orders of the Court as to the disposal of the same:

Provided that where the property seized under sub-section (1) is subject to speedy and natural decay and if the person entitled to the possession of such property is unknown or absent and the value of such property is less than five hundred rupees, it may forthwith be sold by auction under the orders



of the Superintendent of Police and the provisions of sections 505 and 506 shall, as nearly as may be practicable, apply to the net proceeds of such sale.

- 19.4. Section 106(1) expressly empowers a police officer to seize any property which is alleged or suspected to have been stolen, or which is found under circumstances giving rise to suspicion of the commission of any offence. The expression "may seize" is to be read not as conferring unguided discretion, but as a power to be exercised when seizure is necessary for the purposes of investigation, preservation of evidence, and eventual restitution.
- 19.5. In cases involving movable property such as gold, valuable, easily transferable, and susceptible to concealment or dissipation, seizure is not merely permissible but often indispensable to ensure that the investigation is meaningful and effective.



19.6. The necessity of seizure in such cases flows from multiple considerations:

19.6.1. to prevent further circulation or alienation of stolen property,

19.6.2. to preserve the identity and integrity of the articles,

19.6.3. to enable forensic, documentary, and comparative verification,

19.6.4. and ultimately, to facilitate restoration to the true owners upon conclusion of proceedings.

19.7. Permitting alleged stolen property to remain indefinitely in private custody, even with a financier, would undermine each of these objectives and render the investigative process illusory.

19.8. Importantly, the power of seizure under Section 106 is not unregulated. The BNSS incorporates



multiple statutory safeguards, ensuring that seizure is lawful, accountable, and proportionate:

19.8.1. Under Section 106(2), the seizing officer must immediately report the seizure to the officer in charge of the police station.

19.8.2. Under Section 106(3), the seizure must be forthwith reported to the jurisdictional Magistrate.

19.8.3. The Magistrate thereafter exercises supervisory control over custody, retention, and interim handling of the property.

19.9. These safeguards ensure that seizure is not arbitrary, excessive, or punitive, but remains tethered to the needs of investigation and judicial oversight.



19.10. The proviso to Section 106(3), which deals with property of minimal value or subject to speedy decay, has no application to gold articles of substantial monetary and evidentiary value. On the contrary, such articles require secure custody and judicial supervision, reinforcing the justification for seizure rather than negating it.

19.11. Section 107 deals with Attachment, Forfeiture or Restoration of property reads as under:

107. Attachment, forfeiture or restoration of property- (1) Where a police officer making an investigation has reason to believe that any property is derived or obtained, directly or indirectly, as a result of a criminal activity or from the commission of any offence, he may, with the approval of the Superintendent of Police or Commissioner of Police, make an application to the Court or the Judicial Magistrate exercising Disposal of things found in search beyond jurisdiction. Recording of search and seizure through audio video electronic means. Power of police officer to seize certain property. Attachment, forfeiture or restoration of property. 5 10 15 20 25 30 35 40 45 50 31 jurisdiction to take cognizance of the offence or commit for trial or try the case, for the attachment of such property.

(2) If the Court or the Judicial Magistrate has reasons to believe, whether before or after taking evidence, that all or any of such properties are proceeds of crime, the Court or the Magistrate may issue a notice upon such person calling upon him to



show cause within a period of fourteen days as to why an order of attachment shall not be made.

(3) Where the notice issued to any person under sub-section (2) specifies any property as being held by any other person on behalf of such person, a copy of the notice shall also be served upon such other person.

(4) The Court or the Judicial Magistrate may, after considering the explanation, if any, to the show-cause notice issued under sub-section (2) and the material fact available before such Court or Magistrate and after giving a reasonable opportunity of being heard to such person or persons, may pass an order of attachment, in respect of those properties which are found to be the proceeds of crime:

Provided that if such person does not appear before the Court or the Magistrate or represent his case before the Court or Judicial Magistrate within a period of fourteen days specified in the show-cause notice, the Court or the Judicial Magistrate may proceed to pass the ex-parte order.

(5) Notwithstanding anything contained in sub-section (2), if the Court or the Judicial Magistrate is of the opinion that issuance of notice under the said sub-section would defeat the object of attachment or seizure, the Court or Judicial Magistrate may by an interim order passed ex-parte direct attachment or seizure of such property, and such order shall remain in force till an order under sub-section (6) is passed.

(6) If the Court or the Judicial Magistrate finds the attached or seized properties to be the proceeds of crime, the Court or the Judicial Magistrate shall by order direct the District Magistrate to rateably distribute such proceeds of crime to the persons who are affected by such crime.

(7) On receipt of an order passed under sub-section (6), the District Magistrate shall, within a period of



sixty days distribute the proceeds of crime either by himself or authorise any officer subordinate to him to effect such distribution.

(8) If there are no claimants to receive such proceeds or no claimant is ascertainable or there is any surplus after satisfying the claimants, such proceeds of crime shall stand forfeited to the Government.

19.12. Perusal of subsection (1) of Section 107 would indicate that where a police officer making an investigation has a reason to believe that the property is derived or obtained directly or indirectly as a result of criminal activity, or the commission of any offence, he may with the approval of the Superintendent of Police or Commissioner of Police make an application to the court or the Magistrate, exercising jurisdiction to take cognizance of the offence or commit for trial or try the case for the attachment of such property.

19.13. Subsection (2) of Section 107 provides for the Magistrate to pass necessary orders where he has reason to believe, whether before or after



taking evidence, that all or any such properties are proceeds of crime, to issue a notice upon such person calling upon him to show cause within a period of 14 days as to why an order of attachment shall not be made.

19.14. In terms of Subsection (4) of Section 107, the Magistrate, after considering the explanation, if any, to the show cause notice, and after giving an opportunity of being heard, may pass an order of attachment in respect of the properties which are found to be proceeds of the crime.

19.15. Subsection (5) of Section 107 provides for a situation where, if delay were to defeat the object of attachment or seizure, an interim ex parte order of seizure, attachment or seizure could be made.

19.16. Sections 106 and 107 of the BNSS Act operate in different fields. Section 106 deals with seizure, whereas Section 107 deals with



attachment, forfeiture or restoration, as can be seen from the extracted provisions above. Under subsection (1) of Section 106, as indicated supra, if any property is alleged or suspected to have been stolen, then the police officer may seize such property.

19.17. The contention of Sri. Anish Jose Antony, learned counsel for the petitioner, that seizure can be made only under Section 107, in my considered opinion, is completely misconceived. As indicated supra, Section 107 deals with the attachment of such property and not seizure, seizure being covered under Section 106. Respondent No.1, on the basis of a complaint which has been registered, has called upon the petitioner to provide certain information and produce the gold articles pledged with the petitioner. If those gold articles are found to be the ones stolen from respondent No.2, the



petitioner cannot have any objection to such seizure because they are stolen property coming within the meaning of Section 106 of the BNSS.

19.18. Section 107 of the BNSS, which provides for attachment, forfeiture, and restoration, operates at a later and more adjudicatory stage. It is invoked when the court forms an opinion that property constitutes proceeds of crime. The Petitioner's attempt to equate seizure under Section 106 with attachment under Section 107 is legally flawed. These provisions complement but do not substitute each other.

19.19. Seizure under Section 106 is investigative and preservatory.

19.20. Attachment under Section 107 is consequential and adjudicatory.



19.21. The latter cannot be invoked without the former where the property itself is the subject-matter of the offence.

19.22. In the present case, Respondent No.1 has not yet seized the gold. What has been done is issuance of a lawful summons under Section 94. Upon production, if the investigating officer is satisfied that the gold corresponds to the stolen articles alleged in the complaint, seizure under Section 106 would be not only lawful but proportionate and necessary.

19.23. Proportionality, in this context, does not mean abstention from seizure; it means that seizure must be:

19.23.1. limited to the property necessary for investigation,

19.23.2. followed by prompt reporting to the Magistrate,



19.23.3. and subject to judicial directions regarding custody and further handling.

19.24. The Petitioner's claim that its status as a pledgee or secured creditor entitles it to object to seizure is untenable. Stolen property does not acquire immunity by passing through a commercial transaction. A pledge created by an accused who had no lawful title cannot override:

19.24.1. the statutory power of seizure, or

19.24.2. the superior right of the true owner.

19.25. The Petitioner's interest, if any, remains subordinate to criminal law imperatives and cannot be used to obstruct seizure of stolen property.

19.26. The constitutional objections raised are equally misconceived.



19.26.1. Article 19(1)(g) protects lawful business, not transactions involving stolen property.

19.26.2. Article 21 is inapplicable to a corporate entity and, in any event, lawful seizure pursuant to statute does not violate personal liberty.

19.26.3. Article 300A permits deprivation of property by authority of law, which Section 106 expressly provides.

19.27. Thus, seizure effected in accordance with BNSS is constitutionally valid and immune from such challenge.

19.28. From the perspective of victims, seizure assumes even greater significance. The true owners of the gold, customers of Respondent No.2, continue to suffer deprivation of property



of immense personal and economic value.

Seizure ensures:

19.28.1. preservation of the property,

19.28.2. prevention of further misuse,

19.28.3. and a realistic possibility of restitution
upon conclusion of trial.

19.29. To deny or delay seizure would be to privilege commercial convenience over victim justice, a course impermissible in criminal jurisprudence.

19.30. As observed supra accepting the Petitioner's contentions would set a dangerous precedent whereby stolen property could be shielded from seizure merely by being pledged with financial institutions. Such an interpretation would frustrate investigation, embolden economic offenders, and erode public confidence in the criminal justice system.



19.31. An investigating officer is statutorily empowered under Section 106 of the Bharatiya Nagarik Suraksha Sanhita, 2023, to seize property alleged or suspected to be stolen during the course of investigation. Where the property itself constitutes the subject-matter of the offence, seizure is not merely permissible but necessary, proportionate, and integral to effective investigation, preservation of evidence, and eventual restitution to the true owners.

19.32. The power of seizure under Section 106 is distinct from and independent of the provisions relating to attachment, forfeiture, or restoration under Section 107 BNSS, which operate at a subsequent and adjudicatory stage. A summons issued under Section 94 BNSS requiring production of such property does not amount to



seizure, nor does it adjudicate proprietary rights.

19.33. A pledgee or financier holding alleged stolen property cannot object to seizure on the basis of contractual security interest, commercial hardship, or apprehended financial loss, as no person can acquire a better title than that possessed by the pledger. Stolen property does not acquire immunity from seizure by being routed through commercial transactions.

19.34. Seizure effected in accordance with Section 106 BNSS, subject to mandatory reporting to the jurisdictional Magistrate and judicial supervision, incorporates adequate procedural safeguards and does not violate Articles 19(1)(g), 21, or 300A of the Constitution. The statutory duty to investigate and recover stolen property, and to prevent further deprivation



suffered by the true owners, prevails over all competing private commercial interests.

19.35. Accordingly, Point No.3 is answered by holding that the investigating officer is not only empowered but, where circumstances so warrant, duty-bound under Section 106 of the Bharatiya Nagarik Suraksha Sanhita, 2023, to seize gold articles alleged or suspected to be stolen. Such seizure is proportionate, necessary, and subject to adequate statutory and judicial safeguards. The Petitioner has no legal right to object to such seizure merely on the basis of contractual or commercial interest. Any seizure effected shall be governed by the procedural protections and judicial oversight mandated under the BNSS.

20. **Answer to point No.4: What Order?**

20.1. This court vide its daily order dated 13.11.2025 in W.P. No.30657/2025 had directed the State



to furnish certain information. The said general directions are reproduced hereunder for easy reference:

1. *Applications in **I.A. No.2/2025 in W.P. No.30950/2025** and **I.A. No.1/2025 in W.P. No.30657/2025** have been filed by the concerned Bank stating that one of its employees has allegedly stolen gold/gold ornaments from the Bank and pledged the same with the petitioner- Gold Financing Company to avail a Gold loan. It is in that context that the Bank seeks to come on record as a party respondent, since a criminal complaint has already been lodged by the Bank.*

2. *Accepting the reasons assigned, the applications are allowed. The Bank is permitted to come on record as respondent No.3 in each of the matters. Learned counsel for the petitioner shall amend the cause title accordingly and file an amended cause title forthwith.*

3. *It is noticed that a large number of similar cases are being brought before this Court where gold or gold ornaments are stolen from residences and pledged with Gold Finance Companies such as the petitioners. In many such instances, non or incomplete or improper compliance with Know Your Customer (KYC) norms appears to be the underlying cause. Gold loans are being advanced without proper verification; upon default, the Gold Finance Companies proceed to auction the pledged articles and retain the sale proceeds, as no rightful claimant comes forward.*



4. *The present case is a telling example of that pattern — inasmuch as even an employee of a bank has succumbed to the temptation of stealing gold/gold ornaments from the Bank and pledging them with a Gold Finance Company where, again, no questions were asked and KYC norms were disregarded.*
5. *The petitioners are, therefore, directed to place on record comprehensive details relating to the gold loan transactions undertaken by them in the State of Karnataka for the preceding three financial years. The information shall be certified by the competent officer of the petitioner company and presented in a tabulated form under the following heads:*

6. **General Data**

- 6.1. *Total number of gold loan accounts opened year-wise for the financial years 2022–23, 2023–24, and 2024–25, and for the period from 01.04.2025 to 15.12.2025.*
- 6.2. *Total weight (in grams/kilograms) and assessed market value of gold pledged during the above periods.*
- 6.3. *Aggregate quantum of loans disbursed thereunder and the corresponding average loan-to-value (LTV) ratio applied.*

7. **KYC and Compliance Parameters**

- 7.1. *Number and percentage of accounts where full KYC verification was completed through government-issued ID, PAN, and Aadhaar.*
- 7.2. *Number of accounts where KYC was incomplete or provisional.*



7.3. *Average time taken for KYC verification and the number of branches that have reported KYC deviations or internal audit non-conformities.*

7.4. *List of internal circulars, RBI guidelines, or internal audit findings relating to KYC compliance in gold loans issued or acted upon during the last three years.*

8. ***Loan Status and Defaults***

8.1. *Total number of gold loan accounts closed/fully repaid.*

8.2. *Total number of accounts where default occurred (i.e., repayment not made within contractual period).*

8.3. *Value and weight of gold corresponding to defaulted loans.*

8.4. *Number of default accounts that proceeded to auction, and total auction proceeds realised.*

8.5. *Number of cases where the defaulting borrower appeared after auction and claimed the balance amount; total value of such refunds made.*

8.6. *Number of cases where no claimant appeared post-auction, and the total residual amount retained by the company.*

9. ***Theft-linked or Disputed Pledges***

9.1. *Number of instances where gold pledged with the petitioner was subsequently identified as stolen property upon police verification.*

9.2. *Details of such cases (FIR number, police station, approximate value of pledged articles, and status of recovery/refund).*



9.3. *Steps taken by the petitioner to coordinate with law enforcement in such cases (including whether gold was returned or auction proceeds deposited with the police/court).*

10. **Branch-wise Segregation**

10.1. *Data to be broken down branch-wise and district-wise within Karnataka, indicating for each branch the number of gold loans advanced, defaults, auctions, and cases flagged for possible theft.*

10.2. *Details of internal compliance or audit findings regarding adherence to RBI's Fair Practices Code and KYC directions.*

11. **Institutional Oversight**

11.1. *Composition of the petitioner's internal compliance and audit team responsible for monitoring gold loan transactions.*

11.2. *Mechanism adopted for customer identification and risk mitigation under the Prevention of Money Laundering Act (PMLA).*

12. *The above information for the period 01.04.2025 to 15.12.2025 shall be placed on record on or before 15.12.2025. The data for the remaining period up to the date of filing may be supplemented thereafter.*

13. *The learned Additional Government Advocate (AGA) shall also secure comprehensive instructions from the Home Department and Director General & Inspector General of Police (DG & IGP), Karnataka, and place on record, on or before 15.12.2025, a detailed statement under the following heads:*



14. Theft Incidents

14.1. *Total number of cases registered during the last three years involving theft of gold/gold ornaments within the State of Karnataka.*

14.2. *Categorisation of such thefts into (i) residential thefts, (ii) institutional thefts (banks/jewelers), and (iii) others.*

15. Theft-to-Pledge Linkages

15.1. *Number of cases where the stolen gold was later found to have been pledged or attempted to be pledged with any Gold Finance Company or Non-Banking Financial Company (NBFC).*

15.2. *Names of such Gold Finance Companies and approximate value of the pledged gold in each case.*

15.3. *Number of cases where stolen gold was successfully recovered before or after being pledged.*

15.4. *Number of cases where criminal proceedings have been initiated against the employees or branch officials of the Gold Finance Company.*

16. Inter-Agency Coordination

16.1. *Details of Standard Operating Procedure (SOP), if any, presently in place between the State Police, RBI, and Gold Finance Companies for reporting or verifying stolen property.*

16.2. *Number of police communications issued to RBI or other regulators seeking guidance on recovery, auction stays, or custodial handling of pledged stolen gold.*



17. Outcomes and Pending Actions

17.1. *Number of cases where gold has been returned to the rightful owner upon verification.*

17.2. *Number of cases pending trial where pledged stolen gold is in the custody of Gold Finance Companies or the police.*

17.3. *Recommendations, if any, from the Home Department or CID for tightening the KYC process or inter-agency verification protocols.*

17.4. *The report shall be authenticated by a responsible officer of the rank of Superintendent of Police or above, and filed with the Registry before the next date of hearing.*

18. *At this stage, learned Counsel for the Petitioners submits that the Reserve Bank of India (RBI) may be impleaded as a party respondent. Accepting his request and being of the opinion that the issue raised herein involves the response of RBI, this Court deems it appropriate to implead the RBI. Accordingly, RBI is brought on record as Respondent No.4.*

19. *Sri. Pradeep Sawkar, learned counsel, is directed to take notice for Respondent No.4 and to secure necessary instructions and make submissions on the next date of hearing about the above issues.*

20. *List the matter on **15.12.2025 at 2:30 p.m.** for further hearing.*

20.2. *Nearly three months having elapsed from the date of such directions, it would be for*



respondent No.1 to place all the above details on record within a period of 2 weeks from today.

20.3. In view of my findings as regards point No.1, 2, and 3, I am of the considered opinion that no grounds having been made out by the petitioner to grant the reliefs which have been sought for, it would be for the petitioner to produce the gold articles before the investigating officer and for the investigating officer to examine whether the gold articles produced are said to have been stolen from respondent No.2 and if so stolen, to comply with the requirements of Section 106 of the BNSS. Further needless to say, that it would be for the petitioner to answer all the queries that are raised by respondent No.1 during the course of the investigation.

20.4. In view of the above, I pass the following:



ORDER

- i. No ground being made out, the petition stands *dismissed*.
- ii. Though the petition is dismissed, re-list on **17.02.2026** to report for compliance.

**Sd/-
(SURAJ GOVINDARAJ)
JUDGE**

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List No.: 2 Sl No.: 32