



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD**

CRIMINAL APPLICATION NO.2412 OF 2023

- 1) Ambika Mahila Nagari Sahakari
Pat Sanstha Ltd., Shrirampur,
Taluka-Shrirampur, District-Ahmednagar,
Through its Manager,
Annasaheb Kacharu Jadhav,
Age-53 years, Occu:Manager,
- 2) Sushilatai Vithalrao Navale,
Age-78 years, Occu:Household,
- 3) Kavita Devendra Deshmukh,
Age-45 years, Occu:Service,
- 4) Kusumtai Nandkumar Jadhav,
Age-55 years, Occu:Household,
- 5) Rekhatai Balasaheb Ghate,
Age-55 years, Occu:Household,
- 6) Anita Kiran Mali,
Age-50 years, Occu:Household,
- 7) Latabai Prakashrao Dhanwate,
Age-55 years, Occu:Household,
- 8) Shailatai Babasaheb Chaudhari,
Age-55 years, Occu:Household,
- 9) Mangal Keshavrao Bangal,
Age-50 years, Occu:Household,
- 10) Anita Tulshiram Shelke,
Age-38 years, Occu:Household,
- 11) Gita Ranjan @! Ranjit Girme,
Age-40 years, Occu:Household,

- 12) Kusumtai Murlidhar Mohan,
Age-70 years, Occu:Household,
- 13) Karimabi Karimbhai Sayyad,
Age-65 years, Occu:Household,
- 14) Annasaheb Kacharu Jadhav,
Age-54 years, Occu:Service as
Manager,
- 15) Rajaram Nivrutti Kakade,
Age-66 years, Occu:Former Manager,

All R/o-Ambika Mahila Patsanstha,
Behind Kanda Market, Shrirampur,
Taluka-Shrirampur, District-Ahmednagar.

...APPLICANTS

VERSUS

- 1) The State of Maharashtra,
Through Incharge of Police Station
City Shrirampur, Taluka-Shrirampur,
District-Ahmednagar,
- 2) Ramesh S/o Ramlal Muttha,
Age-61 years, Occu:Business,
R/o-Malwadgaon, Taluka-Shrirampur,
District-Ahmednagar.

...RESPONDENTS

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Mr. V.D. Sapkal, Senior Counsel i/by Mr. Sandip R. Sapkal
Advocate for Applicants.

Mr. N.R. Dayama, A.P.P. for Respondent No.1.

Mr. V.D. Hon, Senior Counsel i/by Mr. Ashwin V. Hon
Advocate for Respondent No.2.

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**CORAM: SMT. VIBHA KANKANWADI AND
SANJAY A. DESHMUKH, JJ.**

DATE OF RESERVING ORDER : 10th JULY 2025

DATE OF PRONOUNCING ORDER : 14th AUGUST 2025

ORDER [PER SMT. VIBHA KANKANWADI, J.] :

1. Present Application has been filed for quashing the proceedings in R.C.C. No. 90 of 2023 pending before the learned Judicial Magistrate First Class, Shrirampur, District-Ahmednagar, arising out of the First Information Report (for short "the FIR") vide Crime No. 342 of 2022 registered with Shrirampur Police Station, Taluka-Shrirampur, District-Ahmednagar, on 19th May 2022 for the offence punishable under Sections 120-B, 192, 403, 406, 409, 418, 420, 421, 424, 467, 468, 469 read with Section 34 of the Indian Penal Code.

2. Heard learned Senior Counsel Mr. V.D. Sapkal, instructed by learned Advocate Mr. Sandeep R. Sapkal for applicants, learned APP Mr. N.R. Dayama for respondent No.1 and learned Senior Counsel Mr. V.D. Hon, instructed by learned Advocate Mr. Ashwin V. Hon for respondent No.2.

3. Learned Senior Counsel Mr. V.D. Sapkal, instructed by Mr. Sandeep Sapkal Advocate for applicants has taken us through the entire charge-sheet. He submits that respondent No.2 had mortgaged various grain items by keeping it in the warehouse of

application No.1 Patsanstha and even as per his contention, the transaction was going on since last many years. The informant filed Criminal Miscellaneous Application No.167 of 2022 with the learned Judicial Magistrate First Class, Shrirampur for sending the case for investigation under Section 156(3) of the Code of Criminal Procedure. He contended in the said application that the present applicants have committed offence under Sections 120-B, 192, 403, 406, 409, 418, 420, 421, 424, 467, 468, 469 read with Section 34 of the Indian Penal Code. The said application came to be allowed and the FIR was registered. From the application as well as in the FIR (which is nothing but the reproduction of the contents of the application), it can be seen that the informant trader alleged that he is carrying out business in grains/pulses. He purchases the grains/pulses when its price in market is low, store it and then after the prices go up he sells it. Applicant No.1 Patsanstha is having its warehouses, wherein by keeping those grains, the Patsanstha gives loan to the extent of 70% to 80% of the value of the grains/pulses. Original accused Nos.3 to 14 are the directors and accused No.2 is the manager. Accused No.15 was the ex-manager of Patsanstha who was holding the said post when respondent No.2 had kept his pulses in the warehouse of applicant No.1. The transaction was

going on since 8 to 10 years prior to the application. Informant was granted loan of Rs.25,00,000/- on 12th October 2020. The original receipts of those purchases are with accused No.1 and the period of the mortgage loan was of one year. The informant says that after the period of one year was over, when informant went to accused No.1 along with amount towards the loan repayment with interest and rent of the warehouse, at that time original accused No.15 told that accused No.1 has already sold the pulses which he has kept in the warehouse, in March 2021 itself. The informant says that he was shocked with the reply and according to him, all this has been done for the wrongful loss of informant and wrongful gain to accused No.1 Patsanstha. He had kept in all 1645 gunny bags (916.60 Quintal) of Soybean. Out of that, 1132 gunny bags were sold to original accused Nos.16 to 18 without his consent.

4. The learned Senior Counsel submits that the papers in the charge-sheet contain all the documents i.e. the loan agreements, application, receipts, stamp papers, warehouse receipts. It also contains the resolution in the Board of Directors meeting dated 20th February 2021, wherein the note was taken that the informant had taken loan of Rs.25,00,000/- on 12th October 2020 and Rs.4,40,000/- on 14th October 2020. As on 31st

December 2020, the outstanding loan amount was Rs.30,24,503/-. It was in the name of Chandan Trading Company. For Chandan Traders, loan was taken to the extent of Rs.16,50,000/- on 9th October 2020 and Rs.4,35,000/- on 14th October 2020, as well as Rs.4,20,000/- on 16th October 2020. As on 31st December 2020, the outstanding loan amount was Rs.25,75,277/-, with rent of Rs.7/- per month per gunny bag and 15% GST. Note was also taken that Chandan Trading Company as well as Chandan Traders had manipulated the gate pass by erasing and had taken 1132 gunny bags out of 3793 gunny bags. The FIR to that extent has been tried to be lodged with Shrirampur City Police Station, however, it was not accepted and therefore, for remaining gunny bags to the extent of 2661, the auction proceeding was taken. If we consider the application for loan, there is already a stipulation, at Term No.14, which stipulates that:-

“14) मालाची रक्कम भरून माल निर्धारित वेळेत सोडवून न घेतल्यास मालाची जाहीर लिलावाने विक्री करून रक्कम वसूल केली जाईल. रकमेची भरपाई पूर्णपणे न झाल्यास उर्वरित रकमेची जबाबदारी कर्जदारावर राहिल व वसुलीसाठी कारवाई करणेत येवून व्याज व इतर खर्चासह सर्व रक्कम वसूल केली जाईल.”

. English translation of the same is as under:-

“14) If the goods are not cleared within the stipulated time by making payment of the amount, the amount shall be recovered by selling goods in public auction. If the full amount is not recovered, the debtor shall be held liable for the remaining balance, and recovery proceedings shall be initiated to recover the entire amount along with interest and other expenses.”

(Translated by Senior Translator and Interpreter,
High Court of Bombay, Bench at Aurangabad)

5. Learned Senior Counsel for the applicants further submits that thus a right was given to the Patsanstha that if the loan amount is not paid at the end of the loan period i.e. one year from the date on which the articles were kept, the stock can be sold in auction. Accordingly, initially notices were given on 10th February 2021 and it was informed that the outstanding amount should be cleared within seven days otherwise the stock would be put to auction. On 11th February 2021, legal opinion was sought wherein it was also noted that the informant appears to have gone out of station. This could also be seen from the communication from Shrirampur Taluka Police Station dated 1st March 2021, wherein it was informed that the informant and the

family members have fled away without giving amounts to the agriculturists from whom they had purchased Soybean, Maize and others pulses and had given fabricated receipts, thereby committed cheating of Lakhs of rupees. The entire family went missing since 6th February 2021 and therefore, the police station then made inquiry, as to how much pulses or other grains have been stored with applicant No.1 Patsanstha. All these aspects are on record in the charge-sheet itself and therefore, whatever the receipts those were alleged to be deposited by the informant with applicant No.1 Patsanstha, they are forged and he cannot then say that there is fabrication of receipts by the applicants. The entire transaction was in fact commercial/civil in nature and unnecessarily the informant, as a pressurizing tactics, has resorted to the criminal complaint. Learned Senior Counsel relies on the decision in ***Mohammed Ibrahim and others vs. State of Bihar and another, (2009) 8 SCC 751***, wherein the Hon'ble Apex Court in Para No.8 has observed thus:-

"8. This Court has time and again drawn attention to the growing tendency of complainants attempting to give the cloak of a criminal offence to matters which are essentially and purely civil in nature, obviously either to apply pressure on the accused, or out of enmity towards the accused, or to subject the accused to harassment. Criminal courts should ensure that proceedings before it are not used for settling

scores or to pressurize parties to settle civil disputes. But at the same, it should be noted that several disputes of a civil nature may also contain the ingredients of criminal offences and if so, will have to be tried as criminal offences, even if they also amount to civil disputes. [See: G. Sagar Suri v. State of U.P., [2000 (2) SCC 636 and Indian Oil Corpn. v. NEPC India Ltd., [2006 (6) SCC 736]. Let us examine the matter keeping the said principles in mind. "

6. Learned Senior Counsel also points out that co-accused, original accused No.19 – Dnyandeo @ Dnyaneshwar Annasaheb Pawar has approached this Court by filing Criminal Writ Petition No.1866 of 2022 and by order dated 21st September 2023 (to which Division Bench one of us i.e. SANJAY A. DESHMUKH, J. was party), it has been held that:-

"6 Crime came to be registered based on an order passed under Section 156(3) of the Criminal Procedure Code. The applicant is an auction purchaser. Public notice of auction sale in daily "Lokmat" was given. True it was a short notice. The challenge, however, has been made to the auction sale a year thereafter. Respondent No.2/borrower did not pay any of the monthly installment towards repayment of the loan. The credit society was, therefore, justified to sell the pledged Soybean in public auction. There is also nothing to indicate that price for which the present applicant purchased the Soybean was grossly meager than the then prevailing market price of the Soybean. We fail to understand as to how the petitioner could be said to have committed any offence. We find it to be a fit case to grant relief of quashment of FIR. Asking the petitioner to stand trial based on such material,

would be an abuse of process of Court. Interest of justice also demands grant of petition. The petition is allowed in terms of prayer clauses "B" and "BB".

7. Learned Senior Counsel submits that it would be unjust to ask the present applicants, therefore, to face the trial.

8. Per contra, the learned APP for respondent No.1 and learned Senior Counsel Mr. V.D. Hon instructed by learned Advocate Mr. A.V. Hon, strongly opposed the application and submitted that Hon'ble Supreme Court in ***Mohammed Ibrahim and others vs. State of Bihar and another***, (supra), itself, has clarified that even if civil disputes in some cases may also contain the ingredients of criminal offences, such disputes will have to be then entertained. The present case is of that nature. It appears that applicant No.1 Patsanstha had made some confusion regarding Chandan Trading Company and Chandan Traders. Though in the application, printed form, Term No.14, as above is there, yet in the complaint itself it has been stated by respondent No.2 that he used to clear his dues after the period of one year and this was going on since last about 8 to 10 years. At no point of time such procedure was adhered to. The period of clearing the loan is of one year and the decision to sell the grains belonging to the informant was taken by resolution dated 25th

March 2021, when the loan that was taken was on 12th October 2020. So it was within the period of one year and therefore, the entire procedure that has been adopted was wrong and while the auction that was made, there is forgery of the receipts. Under such circumstance, when the charge-sheet is filed, there should be trial.

9. At the outset, it is also to be noted that applicant No.1 Patsanstha appears to have filed suits before the Co-operative Court, Shrirampur, by filing Dispute No.5 of 2019, which came to be decided on 26th April 2019 and the present informant and his family members have been directed to pay amount of Rs.22,73,922/-, along with the interest at the rate of 16% per annum on the amount of Rs.18,88,403/- from 1st October 2018, till the realization. It was also decreed that if the defendants therein failed to mitigate the said amount, it can be recovered from the grains which have been kept as mortgage. Similar type of order was also passed in Dispute No.213 of 2020, by the same Court on 25th February 2021, in respect of the recovery of the loan amount. However, it is to be noted that it is in respect of the loan amount that was stated to have been taken in the year 2015. That means, for the earlier outstanding amount, application No.1 Patsanstha has undertaken the legal procedure.

In the loan agreement itself, the above said stipulation is there and further Term No.16 says that, in the installments to be paid, there should be inclusion of interest and other expenses. If the installments are not paid, then at the every quarter ending i.e. June, September, December or March or as decided by the directors, the amount of interest as well as any other incidental expenses would be debited to the loan account and such amount should be paid within fifteen days, otherwise it would be treated as outstanding.

10. The resolution passed by the Board of Directors is part of the charge-sheet, wherein all the details have been considered in respect of Chandan Trading Company as well as Chandan Traders. The contention of the applicants is supported by the letter by the Police Station Officer of Shrirampur Taluka Police Station, dated 1st March 2021. Yet, it is to be noted that notice was issued to the informant on 10th February 2021, regarding the payment to be made and time of seven days was given by the applicants to make the payment in respect of the outstanding amount. The application and the FIR is silent on the point of notice. Now, when Term No.16 stipulates the payment of amount as per the installment, the FIR is silent as to why the installments were not given as agreed. The informant cannot put

something orally in defence when his own written contract is otherwise. Under such circumstance, we agree that the transaction between the informant and applicant No.1 Patsanstha was of contract and the remedy would be civil in nature. The dispute is essentially of civil nature which appears to have been given cloak of a criminal offence and therefore, the decision in *Mohammed Ibrahim and others vs. State of Bihar and another*, (supra), would be applicable. This is a fit case where we should exercise our powers under Section 482 of the Code of Criminal Procedure. Hence, we proceed to pass following order:-

ORDER

(I) The Application stands allowed.

(II) The proceedings in R.C.C. No.90 of 2023 pending before the learned Judicial Magistrate First Class, Shrirampur, District-Ahmednagar, arising out of the First Information Report vide Crime No. 342 of 2022, registered with Shrirampur City Police Station, Taluka-Shrirampur, District-Ahmednagar, on 19th May 2022, for the offence punishable under Sections 120-B, 192, 403, 406, 409, 418, 420, 421, 424, 467, 468, 469 read with Section 34 of the Indian Penal Code, stands quashed and set aside as against applicant Nos. 1 to 15 i.e.

- 1) Ambika Mahila Nagari Sahakari Pat Sanstha Ltd., Shrirampur, 2) Sushilatai Vithalrao Navale, 3) Kavita Devendra Deshmukh, 4) Kusumtai Nandkumar Jadhav, 5) Rekhatai Balasaheb Ghate, 6) Anita Kiran Mali, 7) Latabai Prakashrao Dhanwate, 8) Shailatai Babasaheb Chaudhari, 9) Mangal Keshavrao Bangal, 10) Anita Tulshiram Shelke, 11) Gita Ranjan @ Ranjit Girme, 12) Kusumtai Murlidhar Mohan, 13) Karimabi Karimbhai Sayyad, 14) Annasaheb Kacharu Jadhav and 15) Rajaram Nivrutti Kakade.

[SANJAY A. DESHMUKH]
JUDGE

[SMT. VIBHA KANKANWADI]
JUDGE

asb/AUG25