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R.C.C.No. 703/2022 **Exhibit:135**

Form No.XXXII

Part 'A'

(Para 44(I) of Chapter VI of Criminal Manual)

IN THE COURT OF THE JUDICIAL MAGISTRATE, FIRST CLASS, COURT NO.3, WARDHA.

(Presided over by Shri. V. K. Puri)

(FIR No.936/2022, U/s. 420 of IPC, Police Station, Wardha City)

Prosecution	State of Maharashtra, Through P.S.O, Police Station, Wardha City, Ta. Wardha, Dist. Wardha.
Represented By	Shri. J. N. Kale, A.P.P. for the State.
Accused	Medha Rajshekhar Gupta **Age:-** 43 years., **Occ:-** Real Estate Agent, **R/o**. Dharmavaram, District Anantpur, Andhrapradesh, Post- Urban Dharmavaram **At present.** Ongal District Prakasham State- Andhra Pradesh,
Represented By	Shri. D. T. Motwani, Advocate for the Accused.

Part - 'B'
(Para 44 (ii) of Chapter VI of Criminal Manual)

Date of offence	15.03.2017 to 26.05.2018
Date of FIR	25.06.2022
Date of charge-sheet	22.08.2022
Date of framing of charges	22.10.2024
Date of commencement of evidence	11.04.2025
Date on which judgment is reserved	27.07.2026
Date of the judgment	07.08.2026
Date of the Sentencing Order, if any	---

ACCUSED DETAILS :

Rank of the Accused	Name of Accused	Date of Arrest	Date of Release on bail	Offences charges with	Whether acquitted or convicted	Sentence imposed	Period of Detention Undergone during Trial
1	Medha Rajshekhar Gupta	30-06-2022	05-09-2022	U.s.420 of IPC	Acquitted	N.A.	N.A.

The oral as well as documentary evidence produced by the Prosecution/Accused/Court is shown in Part "C", appended to the judgement, as directed in Para 44(iii), Chapter VI of Criminal Manual.

J U D G M E N T
(Delivered on 07.08.2026)

This is a prosecution for the offence under section 420 of the Indian Penal Code, 1860.

2. The prosecution's case in brief that, The informant is a retired Vice-Principal of Kesarimal Girls' School, Wardha. She retired from service in the year 2016. After her retirement, she used to go on pilgrimages. During one such pilgrimage, Shri Sripada Srivallabha Temple at Kuravpur, Karnataka, she met the accused, Medha Rajashekhar Purushottam Gupta, who is a resident of Dharmavaram, District Anantapur, Andhra Pradesh. After their first meeting, the accused remained in contact with the complainant over the phone. In March 2017, the accused came to the complainant's house at Wardha. He told her that he had the blessings of Sai Baba and that he was helping people by solving their problems. He also told her that he wanted to purchase a Dharmashala at Shirdi for serving people and asked her to join him in this work.

3. Believing his words, the complainant transferred money from time to time from 15.03.2017 to 21.08.2018 from her bank accounts in State Bank of India, ICICI Bank and Bank of India, Wardha, to the Axis Bank account of the accused. She transferred a total amount of Rs.65,00,000/-. She further stated that on 26.05.2018, she paid Rs.11,00,000/- in cash to the accused. Thus, according to the complainant, she paid a total amount of

Rs.76,00,000/- to the accused for purchasing Dharmshalsa at Shirdi. The accused neither purchased Dharmshala not returned the money to the informant.

4. Later, when the accused showed her some other hotel, she realized that she had been cheated. She asked the accused to return her money. However, the accused avoided repayment and did not return the amount.

5. Therefore, the informant lodged a report at Wardha City Police Station. On the basis of her report, Crime No.936/2022 came to be registered against the accused for the offence punishable under Section 420 of the Indian Penal Code. The Investigating Officer, Shri. Lagad, Police Sub-Inspector (PSI), Local Crime Branch (LCB), Wardha, conducted the investigation. During the course of the investigation, he collected the bank account details of the informant and the accused, obtained the property documents and vehicle particulars, and prepared the necessary panchnama. He also recorded the statements of the witnesses and arrested the accused. Upon completion of the investigation, he filed the charge-sheet in the Court. The Court took cognizance of the offence punishable under Section 420 of the Indian Penal Code and framed a charge against the accused accordingly. The charge was read over and explained to the accused, to which he pleaded not guilty and claimed to be tried. The defence of the accused is that he has been falsely implicated in the present case and the dispute between the parties is purely civil in nature. The statement of the accused under section 313 of the Cr.P.C. is recorded below Exh. 131. The accused declined to state any explanation in the statement. He also denied to examine any person in his defence. The informant is a retired Vice-Principal of Kesarimal Girls' School, Wardha. She retired from service in the year 2016. After her retirement, she used to go on pilgrimages. During one such pilgrimage, Shri Sripada Srivallabha Temple at Kuravpur, Karnataka, she met the accused, Medha Rajashekhar Purushottam Gupta, who is a resident of Dharmavaram, District Anantapur, Andhra Pradesh. After their first meeting, the accused remained in contact with the complainant over the phone.

6. In March, 2017, the accused came to the complainant's house at Wardha. He told her that he had the blessings of Sai Baba and that he was helping people by solving their problems. He also told her that he wanted to purchase a Dharmashala at Shirdi for serving people and asked her to join him in this work. Believing his words, the complainant transferred money from time to time from 15.03.2017 to 21.08.2018 from her bank accounts in State Bank of India, ICICI Bank and Bank of India, Wardha, to the Axis Bank account of the accused. She transferred a total amount of Rs. 65,00,000/-. She further stated that on 26.05.2018, she paid Rs.11,00,000/- in cash to the accused. Thus, according to the complainant, she paid a total amount of Rs.76,00,000/- to the accused for purchasing Dharmshalsa at Shirdi. The accused neither purchased Dharmshala not returned the money to the informant.

7. Later, when the accused showed her some other hotel, she realized that she had been cheated. She asked the accused to return her money. However, the accused avoided repayment and did not return the amount. Therefore, the informant lodged a report at Wardha City Police Station. On the basis of her report, Crime No.936/2022 came to be registered against the accused for the offence punishable under Section 420 of the Indian Penal Code. The Investigating Officer, Shri Lagad, Police Sub-Inspector (PSI), Local Crime Branch (LCB), Wardha, conducted the investigation. During the course of the investigation, he collected the bank account details of the informant and the accused, obtained the property documents and vehicle particulars, and prepared the necessary panchnama. He also recorded the statements of the witnesses and arrested the accused. Upon completion of the investigation, he filed the charge-sheet before the competent Court. The Court took cognizance of the offence punishable under Section 420 of the Indian Penal Code and framed a charge against the accused accordingly. The charge was read over and explained to the accused, to which he pleaded not guilty and claimed to be tried. The defence of the accused is that he has been falsely implicated in the present case and the dispute between the parties is purely civil in nature. The statement of the accused under section 313 of the Cr.P.C. is recorded below Exh. 131. The accused declined to state any explanation in the statement. He also denied to examine any person in his defence.

8. Heard both sides perused record and evidence. Following points arise for determination and my findings thereon together with the reasons are as under.

Sr.	**POINTS**	**FINDINGS**

1)	Whether the prosecution proves that the accused during the period of March, 2017 to August, 2018 obtained Rs.76,00,000/- from the informant dishonestly inducing her and by falsely promising her to purchase a Dharmashala at Shirdi for social service and charity and thereby he has cheated the informant and thus, he has committed an offence, punishable under section 420 of the Indian Penal Code ?	:	No.
2)	What Order ?	:	Accused is acquitted.

REASONS

9. AS TO POINT NO.1 AND 2 :

The prosecution has come up with the case that the accused dishonestly obtained Rs.76,00,000/- from the informant by falsely promising to purchase a Dharmashala at Shirdi for social service and charity and thereby cheated her.

In order to prove the guilt of the accused under Section 420 of the IPC the following ingredients must be established:

[I] The accused made a false representation or concealed a material fact.

[II] At the time of making such representation, the accused had a dishonest or fraudulent intention to deceive.

[III] Acting upon that representation, the complainant was induced to part with money, property, or a valuable security.

[IV] The complainant would not have delivered the property but for the deception.

[V] The accused thereby caused wrongful loss to the complainant and wrongful gain to himself or another.

However it is a settled position of law that mere failure to fulfil a promise or a subsequent breach of contract does not amount to cheating. Criminal liability under Section 420 of the IPC arises only when it is shown that the accused had dishonest intention from the inception of the transaction. In the light of the this legal position, it is necessary to assess the evidence adduced by the prosecution .

10. The informant (PW1) deposed that she knew the accused since 2017. After her retirement she used to visit religious places. In October 2016 she went to Kuravpur, District Raichur, Karnataka, along with seven other women. There she met the accused for the first time. The accused told her that he is a saint and he liked to do social service, and to help people solving their problems. He further told her that miracles happened at Kuravpur and asked her to visit the place again during Datta Jayanti in December, 2016. He also told her that she need not bring anyone with her. The informant further stated that the accused used to address her "Aai" and thus he gradually gained her confidence. He told her that whenever he required money, she should lend it to him and he would return the amount with interest. Believing his words, she trusted him.

11. Accordingly, in December, 2016, she again visited Kuravpur. The accused helped her during the visit so she was pleased by his behaviour. The informant further stated that on 12.03.2017, the accused came to her house at Wardha. He showed her cheques which, he stated to be donated by people to him for his social work. He told her that he wanted to purchase a hotel at Shirdi and convert it into a Dharmashala for the devotees visiting Shirdi. He requested the complainant to join him in this social service and asked her to give money for the said purpose. Due to the representations, behavior of the accused and his intention to serve for noble cause, the informant trusted him and issued a first cheque of Rs.2,00,000/- from her Bank of India account on 15.03.2017 to the accused.

12. She further deposed that then whenever the accused demanded money, she paid him. On 05.04.2017, she gave him Rs.5,00,000/-. On 28.04.2017, she transferred Rs.50,000/-. On 16.04.2017, she visited Kanyakumari . The accused and his mother also came there, the informant bore all their expenses during that visit. Thereafter, on 04.05.2017, the accused asked her for Rs. 10,00,000/- for the Dharmashala. She gave him Rs. 10,00,000/- by cheque. The accused later invited her to attend the Vastupooja at his house at Ongole and she attended the function. After she returned to Wardha, on 25.05.2017, the accused again called her and said that he urgently required money. Believing him, she gave him another Rs. 10,00,000/- by RTGS. Then on 23.08.2017, the accused informed her that he had purchased the Dharmashala and required money for its renovation. She therefore gave him Rs.2,50,000/-. Thereafter, on 12.12.2017, she paid him Rs.3,00,000/- . Then on 12.03.2018 she paid Rs.2,00,000/-, Rs. 3,00,000/- on 16.03.2018, Rs.4,00,000/- on 04.04.2018, Rs.40,000/- on 04.05.2018, and Rs.5,00,000/- on 16.05.2018, Rs.11,00,000/- by cash on 14.05.2018.

13. She further stated that on 21.08.2018, the accused by calling told her that he wanted to purchase land near the Bengaluru Airport and required Rs.12,00,000/- for purchasing stamp papers. On that occasion, she refused to give him any more money and demanded the money already paid by her. The accused did not return her money. He assured her that he would sell his property and return all her money with interest. Believing his assurance, on 21.08.2018 the informant again gave him Rs.12,00,000/-.

14. Thereafter, in July, 2018, the informant required money for making payment towards a flat at Nagpur. She demanded repayment from the accused. The accused gave her three cheques drawn on HDFC Bank, Anantapur Branch, Andhra Pradesh, dated 24.07.2018, for Rs.12,00,000/-, Rs.10,00,000/- and Rs.10,00,000/- (Exh. 32 to 34). He told her that he would repay the remaining amount in October. The complainant deposited all three cheques and all the cheques were dishonoured with the endorsement "Stop Payment by Drawer." She deposed that proceedings regarding those dishonoured cheques are pending before the Court. She filed the copy of said complaints and copy of deposition recorded therein at (Exh. 35 and 36). Then on 19.11.2018, she again went to the house of the accused. At that time, the accused, his elder brother Medha Lokesh Gupta and their mother drove her out of the house, abused her and assaulted her . She lodged another complaint against them at Ongole Police Station

(Exh108). She thereafter repeatedly demanded her money, but the accused avoided repayment and refused to return the amount.

15. She stated that she paid a total of Rs.60,40,000/- through RTGS and bank cheques and Rs.11,00,000/- in cash to the accused. She also spent about Rs.4,60,000/- on the accused during various religious tours. Thus, she spent a total of Rs.76,00,000/- on the accused. She deposed that the accused took advantage of her emotions and, by falsely promising to purchase a dharmashala at Shirdi and by assuring that he would return the money with interest, dishonestly induced her to pay money to him and cheated her. Thereafter on 25.06.2022, she lodged a complaint at the Police Station (Exh.30). Her bank statement (Exh 38 to 42) marked in her evidence. She produced three photographs of the car allegedly purchased by the accused from the money paid by her (Article A, B and C). In the first photograph, the accused's brother and mother are seen. In the second photograph, the accused and his mother are seen. In the third photograph, the accused is seen alone. She also deposed that she had filed a civil suit against the accused. She produced the certified copy of the judgment passed in that case.

16. The cross in examination of the informant was begins with the point of her salary, income and income tax filling. However the factum of payment of money to the accused by the informant is not seriously disputed by the defence, However the bank statement clearly shows the transfer of amount from the informant’s account to the accused's account. Hence the cross examination with respect to the financial capability of the informant does not require any more discussion. During the cross examination it is brought on record that the informant well qualified possesses degrees of M.Sc., M.Ed., D.C.M. and D.B.M. and Economics also. She admitted that she was unmarried and she used to take decisions regarding her financial matters. Then she was asked about the bank deposits earring and rate of interest thereof. Later she specifically admitted that the amounts paid to the accused were given as a loan and it was agreed that the accused would repay the amount with interest.

17. She clearly admitted that she advanced the loan amount to the accused in installments. She also admitted that, as the accused failed to repay the loan, she filed complaints under Section 138 of the Negotiable Instruments Act and also filed a civil suit against him. She further admitted that the civil suit was decided in the year 2022 and that she lodged the present report after the judgment in the said civil suit. During the cross examination she admitted that in the year 2018 she came to know that the accused was cheating her. However she further admitted that even after her knowledge she paid him another Rs.12,00,000/-.

She admitted that even after the decree in the civil suit and criminal complaint under section 138 of the NI act, she had not recovered the amount from the accused.

18. During the cross examination she stated that she had submitted a written report to police, but the same was not on record. She further admitted that the written report was prepared by her and it had all the details of the incident. The Exh.29 shown to her, she stated that it was not her written report and that the information mentioned in Exhibit 29 was incomplete but she admitted that the FIR was registered on the basis of Exh.

29. The informant during the cross examination has stated that in her written report also she had clearly mentioned that the amount was given as a loan and that the accused had agreed to pay interest on it. She admitted that there was an oral agreement between her and the accused regarding payment of interest on the loan amount. However, she denied that there was any agreement regarding the exact rate of interest or the time when the interest was to be paid. She admitted that when the oral agreement regarding the money transaction took place between her and the accused, two persons, namely Ashutosh Bhut and Ashish Joshi, were present. She stated that since she had trust in the accused, she did not execute any written agreement.

19. She clearly admitted that she came to know in the year 2018 that the accused had cheated her, whereas the present criminal case was filed in the year 2022. She further admitted that she had not mentioned any reason for the delay of about four years in lodging the complaint.

20. Then prosecution examined PW-2 Sadhna Kawde and PW-3 Smita Subedar as witness who accompany the informant while traveling to Kuravpur. They deposed that they used to accompany the informant on religious tours and in the year 2017, they visited Kuravpur along with the informant. There they met the accused, he showed them certain photographs on his mobile. The accused represented that he was engaged in religious and charitable activities. Both witnesses stated that the accused induced the informant to give money and the informant paid the same. PW-2 deposed that the informant paid money to the accused, but he failed to repay the amount. She also stated that the accused issued cheques to the informant, which were later dishonoured. PW-3 further deposed that the accused had also taken Rs.8,000/- to Rs.10,000/- from her when he visited her house at Wardha. She stated that other persons, namely Shraddha Joshi and Jaya Bode of Nagpur, had also given money to the accused. She further deposed that the accused demanded Rs.10,00,000/- to the informant, in her presence and the informant paid it. Subsequently, they came to know that the informant had paid a total sum of Rs.76,00,000/- to the accused and had been cheated.

21. During their cross-examination, PW-2 and PW-3 admitted that the transaction between the informant and the accused was in connection with the proposed construction of a Bhakt Niwas at Shirdi. Suggestions were put to both witnesses that the amounts were not paid in their presence. However, the factum of payment of money by the informant to the accused is not seriously disputed in the present case. Therefore, the absence of the witnesses at the time of every payment does not materially affect the main fact of the prosecution case. Certain omissions were also brought on record during their cross-examination. However, those omissions are minor in nature and do not relate to the material fact of the prosecution case. They do not amount to material contradictions so as to discredit the testimony of either witness.

22. PW-4 Vishwas Attarkar is the panch witness to the spot panchnama conducted at the house of the informant. He has proved the spot panchnama and the notice (Exh. 51 and 52)

23. PW-5 Ravindra Gulab Shinde is the person who purchased the informant's house. He deposed that he had visited the informant's house for payment of the sale consideration. He deposed that the accused had taken money from the informant, and from the said amount the accused purchased a house and a car. His testimony is relied upon by the prosecution to show that there was cash amount at the hands of the informant and she paid the same to the accused to show that the money was used for purchase of a house and car.

24. During the cross examination of the witness he has specifically stated that the informant and accused had not told him anything about the use of money for purchasing house and car. Further the material omission during the cross examination is brought on record that the statement of use of money for purchasing house and car was not there in his previous statement recorded during the evidence. The omission was duly proved during the cross examination of the I.O also.

25. PW-6 Srinivas Ravi Subbarao Vanapalli is a resident of Shirdi and has been residing there for about 30 years. He deposed that he was running a hotel and lodging business at Shirdi. According to him, about five to six years prior to his deposition, the accused and the informant had visited his hotel and had discussions with him regarding its purchase. He specifically stated that both the informant and the accused had inspected the hotel and discussed the planning of purchase of the hotel. He further deposed that after around three to four years, the informant again met him and enquired about the hotel and accused. At that time, he informed her that the proposed transaction had not materialised as the accused never returned later on to discuss and purchase the hotel.

26. During his cross-examination, the learned counsel for the accused tried to show that the witness is a planted witness and was deposed false. The witness denied all such suggestions. Nothing substantial could be elicited in his cross-examination to discredit his testimony regarding the visit of the accused and the informant to Shirdi and their discussions relating to the planning of purchase of the hotel.

27. PW-7 Pravin Patil is the first Investigating Officer. He deposed that, during the course of investigation, he recorded the statements of the witnesses and collected the relevant documents, including the bank statements, cheques, and other material documents. He further stated that he drew the spot panchnama and completed the other necessary steps of investigation.

28. PW-8 Dinesh Tumane is the police officer who recorded the First Information Report (FIR). He deposed that, on receiving the complaint from the informant, he reduced it into writing, registered the offence.

29. PW-9 Amol Lagad PSI is the Investigating Officer who subsequently took over the investigation of the present case. He deposed that, after the investigation was entrusted to him, he recorded the statements of the witnesses and collected the relevant documents connected with the case. He further deposed that, during the course of investigation, it was revealed that the accused had represented to the informant that he was engaged in relieving peoples from their difficulties, and that he had the blessings of Sai Baba. The accused further represented that he intended to purchase a Dharamshala at Shirdi for rendering service to devotees and the public. On the basis of these representations, the accused induced the informant to part with a total amount of Rs.76,00,000/-. After completion of the investigation, finding sufficient material against the accused, he filed the charge-sheet before the Court.

30. In his examination-in-chief, PW-9 proved various documents collected during the course of investigation, which were duly exhibited. These documents include the bank records, cheques, sale deeds, and the particulars relating to the vehicles allegedly purchased by the accused. The prosecution has relied upon these documents to establish the financial transactions between the parties and to show the alleged utilisation of the money received from the informant by the accused. While concluding his examination-in-chief, the witness deposed that the accused had purchased a flat in the year 2017 and sold it in the year 2019. He further deposed that he had collected the bank statements of the accused to show the bank transactions. He collected the bank statements of the informant's accounts with SBI and ICICI Bank and the accused's accounts with HDFC Bank, Union Bank of India, and SBI. On carefully examining these bank statements, it was found that amounts were transferred from the informant's accounts to the accused's accounts. It was further found that the accused had withdrawn the said amounts from his accounts. The witness further deposed that the accused had purchased a car and a flat from the said money.

31. Thus this prosecution evidence, needs to be assessed to ascertain whether the prosecution has proved the essential ingredients of cheating and dishonest inducement as contemplated under Section 415 of the IPC .

In the present case, the factum of payment of money by the complainant to the accused is established from the account statements produced on record. The said statements show that, on various dates, the amounts were transferred to the bank accounts of the accused. The accused has also not seriously disputed the factum of receipt of the said amounts. However, mere proof of payment or receipt of money by itself is not sufficient to establish the offence punishable under Section 420 of the IPC. The essential consideration is whether the complainant parted with the said money pursuant to any deception or dishonest inducement on the part of the accused, and whether such dishonest intention existed at the inception of the transaction.

32. In that regarded, the evidence of the informant PW-1, Hotel owner Srinivas Vanapalli PW-6 , and Investigating Officer PW-9 is most important. The informant has stated that, in the year 2017, she had visited Kuravpur, where she met the accused. This fact is duly corroborated by the evidence of PW-2 and PW-3, who have also stated that they had accompanied the informant to Kuravpur and they met the accused there. The informant further deposed that, during their interaction, the accused showed some photos in his mobile. He told them that he intended to purchase a hotel at Shirdi and convert the same into a Dharmashala for the purpose of serving devotees. Then they further deposed that the accused requested the money from the informant for said social purpose and sought financial assistance from her. This fact is corroborated through the evidence of PW-2 and PW-3.

33. The informant further stated that, owing to the representation made by the accused, his conduct and manner of interaction with her, she trusted him and, believing him to be genuine, she transferred the money to the accused on various dates. The informant then categorically explained the manner and chronology in which the amounts were paid to the accused. She stated that she started transferring the amounts to the accused from 15.03.2017. She further deposed that, on 16.04.2017, she had gone to Kanyakumari, where she met the accused and his mother. According to her, in the month of May, 2017, she attended the Vastu Puja of the house of the accused. She further stated that, in the same month, the accused informed her that he had purchased a Dharmashala at Shirdi and again requested her to pay an amount of Rs. 2.50 lakh towards its renovation. Believing the representation made by the accused, she paid the said amount.

34. The informant further deposed that thereafter the accused continued to demand money from her on different occasions and, she continued to make payments to him. According to her, such payments continued up to 21.08.2018. The informant further deposed that, in August, 2018 when the accused demanded an amount of Rs. 12 lakh from her, she initially asked him to repay the amounts already received by him and refused to pay any further amount. However, subsequently, she paid Rs. 12 lakh to the accused. She further stated that, about one month prior thereto i.e. in July, 2018 when she demanded repayment of her amount, the accused issued three cheques of Rs. 12 lakh, Rs. 10 lakh and Rs. 10 lakh, which are marked as Exh. 32 to 34. The cheques were subsequently dishonoured.

35. The cross-examination of the informant is very important because the informant has given many admissions during the cross examination. She stated during cross examination that she herself was taking all her financial decisions. She specifically admitted that she advanced the money to the accused as a loan and it was agreed between them that the accused would repay the said amount along with interest. She stated that the loan amount was advanced to the accused in installments. On being asked she also stated her qualification too. The informant's own admissions during the cross examination indicates that she did transactions with all understanding and paid money to the accused in the nature of a loan which will be repayable by the accused with interest.

36. The informant also stated that she had instituted proceedings against the accused under Section 138 of the Negotiable Instruments Act and had also filed a civil suit for recovery of the amount. She admitted that she could not recover her money through these cases therefore she subsequently lodged a present FIR against the accused. Then the informant has clearly stated that in the year 2018 itself, she came to know that the accused was cheating her. The informant further deposed that there was an oral agreement between herself and the accused whereby she would advance the amounts to him and the accused would return the same with interest whenever demanded by her. She admitted that no specific time for repayment was fixed. She also stated that she had complete trust in the accused therefore no written agreement was executed between them, though according to her, an oral agreement existed between them.

37. The accused took the defence that the informant's loan amount was not recovered through the complaint or the civil case and therefore, she lodged the present FIR against the accused. The informant also admitted the same. She admitted that the transaction between her and the accused was a loan transaction. Another important fact which affects the testimony of the informant is that, during cross-examination, she stated that she had given a written report to the police. A copy of the said report is not filed with the chargesheet. In that report, she had specifically mentioned that there was an oral loan agreement between her and the accused. She had also mentioned that the accused would repay the said amount along with interest.

38. These admissions regarding the transaction are important in the present case because they show the intention of the parties at the relevant time. The offence of cheating is made out only when there is a dishonest intention on the part of the accused from the beginning. The informant stated that she came to know in the year 2018 itself that the accused was cheating her. Despite this, she paid an amount of Rs.12 lakh to the accused. She did not file an FIR against him for about four years. She explained that she did not lodge the FIR because she had trust in the accused. While determining the nature of the transaction between the parties, whether the amounts inducement or whether as loans under an arrangement for an interest, the conduct and the intention of the parties must be invariably established by the prosecution. The informant had deposed that two persons namely Ashutosh Bhut and Ashish Joshi were present when the oral agreement regarding the money transaction took place between her and the accused. These two persons are not examined. They could have explain the circumstances of entering the agreement to infer the existence of elements of inducement.

39. The fact that the amounts were subsequently not repaid, or that the cheques issued towards repayment were dishonoured, by itself would not establish that the accused had dishonest intention at the inception of the transaction. The prosecution is required to establish, from the evidence on record, that at the time when the accused induced the informant to part with the money, he had a dishonest or fraudulent intention and that such inducement directly caused the informant to part with the property.

40. The testimony of PW-2 and PW-3 is limited to the extent that they had accompanied the informant to Kuravpur and that they met the accused there. Though both witnesses have stated that the accused had cheated the informant, they have not disclosed the basis of such assertion. They have not explained as to how they acquired knowledge regarding the alleged representations made by the accused to the informant, nor have they stated any specific facts from which the alleged dishonest inducement can be inferred.

41. The evidence of PW-4, the spot panch witness, need not be discussed in detail, as there is no dispute between the parties regarding the place of occurrence. PW-5 is a person who had paid an amount towards sale consideration to the informant, which amount was subsequently stated to have been paid by the informant to the accused. However, his evidence does not assist the prosecution in establishing the dishonest intention or alleged inducement on the part of the accused. In his cross-examination, PW-5 specifically admitted that neither the informant nor the accused had, at any point of time, disclosed to him the purpose or utilization of the amount paid by him. Thus, he has no personal knowledge regarding the transaction between the informant and the accused, the representations allegedly made by the accused, or the purpose for which the amount was advanced.

42. The prosecution has examined Srinivas Ravi Subbarao Vanapalli as PW-6. His evidence is relied upon to establish that the accused and the informant had visited Shirdi and had inspected the hotel which, according to the prosecution, was proposed to be purchased and converted into a Dharmashala for a social purpose. PW-6 deposed that the accused and the informant had visited his hotel and had discussions with him regarding the proposed purchase of the hotel. He further stated that, at the relevant time, he was willing to sell the said hotel and that the accused and the informant had inspected the hotel and discussed about the sale with him.

43. PW-6 further deposed that the proposed transaction, however, did not materialize as the accused and the informant did not subsequently return to proceed with the purchase of the hotel. He further stated that, subsequently, the informant approached him and made inquiries regarding the sale of the hotel. At that time, he disclosed to her that the accused did not return back to discuss the deal and then the informant realized that she had been cheated.

44. Thus, the evidence of PW-6 assumes significance as it provides independent evidence that the accused and the informant had, in fact, visited the hotel and discussed its proposed purchase. His testimony corroborates the informant's statement regarding the representation of purchase of the hotel at Shirdi. However, it is necessary to see whether this evidence, by itself establishes that the accused had made a false representation with dishonest intention. The evidence of this witness itself establishes that the representation of the accused regarding the proposed purchase of the hotel was not wholly imaginary or unsupported by any corresponding conduct. The accused had, in fact, taken the informant to Shirdi, shown her the hotel and discussed the proposed transaction with the person who was willing to sell it.

45. The informant PW-1 also stated that the accused had represented that he intended to purchase the hotel and convert it into a Dharmashala. She further admitted that the amount was advanced as loans as per oral understanding. Thus, the nature of the transaction, as admitted by the informant herself, was lent towards the inference of a financial advancement with promise to repay with interest rather than the inducement at the beginning.

46. The Investigating Officer PW-9 stated that the account statements of the informant and the accused disclose transfer of the amounts from the account of the informant to the accounts of the accused. He further stated that, upon examination of the account statements, it appeared that the accused had withdrawn amounts from the concerned accounts and used it for purchasing a flat and vehicles. However, the prosecution has not established a nexus between the amounts transferred by the informant and the alleged purchase of the flat and vehicles. On perusal of the bank statements, it appears that the informant transferred amounts to the accused during March, April, May, August and December 2017 and thereafter during March, April, May and August 2018. It is also seen that the accused made withdrawals from his accounts and made various payments and online transfers to different persons. However, the mere fact that the accused withdrew money from his accounts does not establish that the particular amounts transferred by the informant were utilized for purchasing the flat or vehicles.

47. The prosecution has relied upon the fact that the flat was purchased in May, 2017 sale deed shows it was purchased in August, 2017 and the vehicles were purchased in August, 2017 and October, 2017. However, this circumstance has to be considered along with the evidence of the informant herself. She admitted that she was aware of the purchase of the flat and that she had attended the Vastu Puja of the said flat too. According to her own evidence, approximately Rs. 27 lakh had been paid to the accused up to August, 2017. Therefore, the fact that the accused had purchased a flat and vehicles during the relevant period was not concealed from the informant. Nevertheless, she continued to advance money to him.

48. The statement of Axis Bank account of the accused, marked at Exh. 115, shows the said account was opened on 13.11.2016. There were transactions in the said account even before the amounts were transferred by the informant. The evidence on record further shows that the amounts were transferred to the said Axis Bank account by the informant only from April, 2018 onwards. Thus, the alleged purchase of the flat and vehicles in 2017 cannot, merely on the basis of the said account statement, be directly connected with the amounts transferred by the informant to the accused in 2018.

49. Similarly, the Union Bank of India account statement of the accused, marked at Exh. 117, is for the period from May, 2017 to August, 2022. It shows various deposits and withdrawals. It is seen that an amount of Rs. 44,66,648/- was spent from the said account up to October, 2017. However, according to the evidence on record, about Rs. 14 lakh had been transferred by the informant to this account, and that too in May, 2017. The statement contains several other deposits and transactions. The prosecution has not satisfactorily established the connection of the specific amounts transferred by the informant with the expenditure allegedly incurred by the accused.

50. The statement of the State Bank of India account of the accused for the period from 01.01.2017 to 31.12.2017 also shows expenditure of approximately Rs.6,83,087/-. However, the evidence does not show that the informant had transferred any amount to this particular account. The HDFC Bank account of the accused, to which the informant had admittedly transferred amounts, therefore assumes greater significance. The Investigating Officer has produced the statement of this account for the period from 01.03.2017 to 31.08.2018. The statement shows various transfers made by the informant on different dates. At the same time, the account also contains several other deposits and transactions. One relevant entry is dated 23.08.2017, when an amount of Rs.2,50,000/- was transferred by the informant to the account of the accused. On the same day, an amount of Rs.4,39,415/- was paid to an automobile company towards a vehicle. This circumstance may raise an inference that, at least on that particular occasion, the amount transferred by the informant was utilized towards a personal expenditure of the accused.

51. However, a single such entry cannot, by itself, establish that all the amounts transferred by the informant were utilized for purchasing the flat or vehicles or that the accused had obtained the entire amount by dishonest inducement. The bank statement contains several other deposits, withdrawals and payments, and the prosecution has not satisfactorily connected the amounts transferred by the informant with any particular expenditure of the accused. The Investigating Officer has stated generally that the bank statements showed utilization of the amounts for purchase of the vehicle and flat, but the documentary evidence does not establish such nexus.

52. This aspect assumes significance because the offence under Section 420 of the IPC requires proof of dishonest or fraudulent inducement. Mere proof that money was transferred and was subsequently utilized by the accused dishonestly for purposes other than those represented to the informant would not, by itself sufficient. The informant was aware about the purchase of flats and cars of the accused. The informant at only one point of time has stated that in the month of May, 2017 the accused demanded her money by telling that he has purchased Dharmshala and he need money for its renovation. She has not explained for what reason and what purpose the money was paid to the accused on other occasions. This again create the doubt on the testimony of the informant.

53. In the present case, the circumstances emerging from the evidence do not satisfactorily establish such intention from the inception. The accused had taken the informant to Shirdi and showed her the hotel which was admittedly available for sale. The accused and the informant had inspected the hotel and discussed its purchase with PW-6. The informant herself admitted that the amounts were advanced as loans under an oral arrangement whereby the accused was to repay the amounts with interest. The time for repayment was not fixed. She further admitted that she was aware of the purchase of the flat and had attended its Vastu Puja. Despite having knowledge of these circumstances, she continued to advance amounts to the accused. Further, the informant herself stated that, in July, 2018, the accused had issued three cheques towards repayment of an amount which was subsequently dishonoured, it does not by itself establish that the accused possessed dishonest intention when the original amounts were advanced. The subsequent failure to repay the loan or the dishonour of cheques may give rise to civil or other statutory remedies. The prosecution has not been able to satisfactorily establish, through the bank statements or other evidence, that the amounts transferred by the informant were systematically used for purchasing the flat and vehicles since inception. The persons present at the time of oral agreement are not examined.

54. Admittedly, as per the representation made by the accused, the informant did not purchase the Dharmshala. The informant herself stated that the transaction was a loan transaction. Despite the use of the money for a purpose other than the purpose represented by the accused, and the knowledge the informant admittedly transferred the money to the accused. She did not lodge an FIR for four years. She also admitted that the FIR was lodged because the amount was not recovered through the complaint and the civil suit. The prosecution has not sufficiently explained these facts, creates doubt in the prosecution case. The informant has not explained as to why she continued to transfer the accused even after her knowledge of purchase of flats and cars. Nevertheless, she also transferred the amount even though she confirmed that she was cheated by the accused. These facts go in favour of the accused and create doubt about the presence of dishonest intention or inducement from the beginning of the transaction.

55. It is important to mention that the FIR was only one page, whereas the examination-in-chief of the informant runs into four pages. Therefore, she had sufficient opportunity to explain the transactions. However, sufficient details and explanation regarding the transactions were not brought on record.

56. The learned A.P.P. and the advocate for the accused argued that they have proved its case by producing evidence. According to the prosecution, the fact of misrepresentation was duly proved through the evidence of the prosecution witnesses. It was further argued that even if the defence of the accused is considered, the case would still amount to cheating under Illustration (f) to Section 415 of the I.P.C. It was submitted that, even if it is assumed for the sake of argument that the money was given to the accused as a loan, on the belief that he would repay it, and if the accused had no intention to repay the amount from the beginning, the offence of cheating would still be made out.

The prosecution further relied upon the following judgments:

I. Kundan s/o Nanaji Pendor Vs. State of Maharashtra, 2016 (6) Mh.L.J. 565

Relying upon this judgment, the prosecution argued that if a particular part of the evidence of a witness is not challenged in cross-examination, it amounts to an admission. Such evidence should therefore be accepted, as the defence did not challenge it.

II. A.S. Krishnan and another Vs. State of Kerala, 2004 ALL MR (Cri) 2566 (S.C.)

In this case, the Hon'ble Supreme Court explained the meaning of the words "knowledge" and "reason to believe". It was observed that knowledge means awareness on the part of a person and shows his state of mind. "Reason to believe" is also a matter relating to the state of mind. It is different from mere suspicion or doubt.

III. Rajesh Namdeo Mhatre Vs. State of Maharashtra, 2003 ALL MR (Cri) 298

This judgment relates to suggestions made during cross-examination. The Hon'ble Bombay High Court observed that a suggestion made during cross-examination is not evidence by itself. However, such a suggestion may be considered to support to the prosecution case when other evidence establishes the guilt of the accused.

IV. Munna Kumar Upadhyaya alias Munna Upadhyaya Vs. State of A.P., AIR 2012 S.C. 2470

The prosecution relied upon this judgment because, while answering the questions under Section 313 of the Cr.P.C., the accused gave a complete denial. Relying upon this judgment, the prosecution argued that a false denial by the accused can be considered as an incriminating circumstance against him.

V. Vitoori Pradip Kumar Vs. Kaisula Dharmaiah, 2002 ALL MR (Cri) 1602 (S.C.)

The prosecution relied upon this judgment because the informant had filed a civil suit against the accused, and the suit was decreed in her favour. After the civil proceedings, the informant lodged the present FIR against the accused. During cross-examination, she admitted that her amount was not recovered through the civil proceedings and, therefore, she had lodged the FIR.

Relying upon the above judgment, the prosecution argued that the pendency or disposal of a civil case cannot by itself be a ground to quash criminal proceedings, because the ingredients and purpose of civil and criminal proceedings are different. Therefore, according to the prosecution, the present criminal case was maintainable even though the informant had filed a civil case.

VI Lalmuni Devi Vs. State of Bihar and others, (2001) AIR (SCW) 2504

In this case, it was held that even if some suggestions made during cross-examination indicate the existence of a civil dispute, the accused cannot be relieved from criminal liability if the ingredients of the criminal offence are otherwise proved.

VII Shama Vs. State of Haryana and others, 2017 ALL MR (Cri) 448 (S.C.)

In this case, it was held that if the accused takes a defence of false implication, there must be some material on record showing that there were previous incidents or circumstances between the parties which could support such a defence. In the absence of such material, the defence of false implication cannot be accepted.

VIII Jaswantrai Manilal Akshaney Vs. State of Bombay, AIR 1956 Supreme Court 575

This judgment was relied upon on the issue of mens rea, namely, the intention or state of mind required for committing an offence.

IX Iridium India Telecom Ltd. Vs. Motorola Incorporated & Ors., 2011 ALL MR (Cri) 989 (S.C.)

In this case, it was held that misleading statements in a company's prospectus can amount to cheating. The prosecution argued that, in the present case also, the accused misrepresented to the informant that he intended to purchase a Dharmashala. On that representation, he obtained money from the informant. Therefore, according to the prosecution, such misrepresentation amounted to cheating.

X. Gorantla Venkateshwara Rao Vs. Kolla Veera Raghava Rao & Anr., 2006 ALL MR (Cri.) Journal 54

In that case, the accused had issued three cheques which were subsequently dishonoured. The informant filed a complaint under Section 138 of the Negotiable Instruments Act and also lodged an FIR against the accused. Relying upon this judgment, the prosecution argued that both proceedings could be maintained and that it would not amount to double jeopardy.

The Hon'ble A.P. High Court held that the cause of action for filing a complaint under Section 138 of the Negotiable Instruments Act and the cause of action for lodging an FIR under Section 420 of the I.P.C. are different. Therefore, the principle of double jeopardy would not apply.

57. I have carefully considered the judgments relied upon by the prosecution. In the present case, the defence has not seriously challenged the payment of money to the accused during cross-examination. Therefore, relying upon the judgment in **Kundan s/o Nanaji Pendor**, it was argued that the fact of payment should be accepted. However, as already discussed in this judgment, the fact that the money was transferred to the accused is sufficiently proved by the bank account statements.

58. The reliance is placed upon A.S Krishnan and anr cited supra to show the knowledge and reason to believe. In the case law it is observed that, the knowledge of the particular facts means awareness about the fact. However, reason to believe means sufficient cause to believe the Hon'ble Supreme Court has further observed that, the circumstances must be so reasonable which cause any man to infer about the things and the nature of the fact. In the case in hand the informant has stated the accused had told her that, he need money for the purchase of Dharmashala. She was aware that, the accused has purchased flat and cars. The talk about the purchase of Dharmashala was happened in March, 2017. The informant continued to transfer money till August, 2018. She got knowledge that, she is been cheated and despite she transfered the amount. Thus, the circumstances shows that she had no reason to believe upon the accused and the circumstances was so that, no reasonable man would probably believe the accused. Therefore, the evidence of the informant is not held to be sufficient to infer the elements of cheating. Hence, this case law I found more favourable to the defence.

59. The case law Rajesh Mhatre cited Supra relied inrespect of suggestions made the prosecutin during the cross-examination. The prosecution has to stand upon its own evidences. The prosecution has failed to establish his case independently therefore, as observed in this case the suggestions would not aid the prosecution to prove the guild of the accused.

60. In the case of Munna Upadhyaya, Vitoori Kumar cited supra the effect of denial of the questions and pendency of Civil Suit is discussed. Since, the prosecution has not established this case. Th case laws are not helpful to the proseuction.

61. The case law Lalmunni Devi, is relied upon by the prosecution to show that, the suggestion of civil wrong would not absolved the Criminal Liability. In the case in hand the suggestions given by the defence regarding the loan transactions, loan agreement, anticipation of interest in return all were admitted by the informant. Therefore, the inference in respect of involvement of the ingredient of inducement can be drawn againt the informant. Therefore, the case law is not applicable to the facts of the present case.

62. The case law Shama, Jaswantrai are on the point of false implication and mens rea. In the case in hand the prosecution has failed to prove its case invariably therefore, the probability of defence is need not to be discussed in the light of these judgements. Hence, this will also not assist to the prosecution. The case law Gorantla Rao is relied upon the bar given under Section 300 of the Cri.P.C. The ingrediants of the alledged offence under section 420 of the I.P.C are not proved. Therefore, issue of double jeopardy need not to be discussed. Hence, the case laws relied by the prosecution are on the different footing of this case. The evidence and the principle of these cases are different than the case in hand. It will not helpful to assist the prosecution to suggest the inference of the guilt of the accused.

63. The Ld. Advocate for the accused has argued that, the case is a clear misuse of process of law. He submitted that, the Civil dispute has coloured with the criminal imputations upon the accused. The informant herself admitted the nature of transaction as a contract which is material admission on the part of informant.

64. Thus, after considering the evidence of the prosecution, particularly the evidence of PW-1, PW-6 and PW-9, along with the documentary evidence in the form of bank statements, it cannot be concluded that the accused had a dishonest intention from the beginning of the transaction. It is also not proved beyond reasonable doubt that, with such dishonest intention, the accused induced the informant to part with her money.For these reasons, I record my finding on Point No. 1 in the negative. Consequently, the accused is entitled to be acquitted of the offence. Hence, in answer to Point No. 2, I pass the following order:

O R D E R

1. The Accused Medha Rajshekhar Gupta, is hereby acquitted of the offence, punishable under section 420 of the Indian Penal Code, vide section 248[1] of the Code of Criminal Procedure, 1973.

2. P.B. and S.B of the accused stand canceled and he be set at liberty.

3. Accused shall furnish P.B. And S.B. of Rs. 15 ,000/- vide section 437-A of the Code of Criminal Procedure, 1973.

4. Issue release warrant of the accused.

(Delivered and pronounced in open court).

Digitally signed by VAIBHAV KISHOR PURI
Date: 2026.08.11 16:29:46 +0530

(V. K. Puri)
Judicial Magistrate F.C.,
Court No.3, Wardha.

Date: 07-08-2026.

APPENDIX - I

Part 'C'
(Para 44 (iii) of Chapter VI of Criminal Manual)
LIST OF PROSECUTION/DEFENCE/COURT WITNESSES)

A. Prosecution Witnesses :

RANK	NAME	EXHIBIT NO.	NATURE OF EVIDENCE
PW1	Mangala Shriram Ghirnikar	Exh. No. 28	Informant
PW2	Sadhna Anand Kawale	Exh. No. 48	Witness
PW3	Smita Sunil Subhedar	Exh. No. 49	witness
PW4	Vishwas Sadashiv Atalkar	Exh. No. 50	Spot panch/Witness
PW5	Ravindra Gulabrao Shinde	Exh. No. 50	Witness.
PW6	Shrinivas Ravi Subbarao Vanapalli	Exh. No. 51	Witness.
PW7	Pravin Babarao Patil	Exh. No. 54	Witness
PW8	Dinesh Rameshrao Tumane	Exh. No. 61	Prosecution Witness
PW9	Amol Gorakhnath Lagad	Exh. No. 77	Investigating Officer

B. Defence Witnesses :

RANK	NAME	Exhibit No.	NATURE OF EVIDENCE
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C. Court Witnesses :

RANK	NAME	Exhibit No.	NATURE OF EVIDENCE
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LIST OF PROSECUTION/DEFENCE/COURT EXHIBITS EXHIBITED :

A. PROSECUTION EXHIBITS :

Sr. No.	**Documents**	**Exhibit No.**
1.	Oral Report	29
2.	Copy of First Information Report (F.I.R) at Wardha City	30
3.	Notice to informant	31
4.	Copy of Bank Cheque	32 to 34
5.	copy of complaint	35
6.	copy of deposition	36
7.	copy of complaint	37
8.	Bank of India Statement of informant	38
9.	I.C.I.C.I Bank Statement of informant	39 & 41
10.	S.B.I Treasury Bank Statement of informant	40& 42
11.	H.D.F.C Bank and Axis Bank Statement of Accused	43 & 45
12.	Copy of documents filed in other Court proceedings	44
13.	Copy of Judgement in Spl.C.S. No. 41/2019	46
14.	Police Letter of P.S Dharmavaram	100
15.	P.S Dharmavaram F.I.R	101
16.	Letter to Sub-Registrar Office Dharmavaram, Tirupati, Ongale	102, 106 & 109
17.	Police Letter of P.S Tirupati (Andhra Pradesh)	103
18.	Letter to Income Tax Dept. Tirupati (Andhra Pradesh)	104
19.	Police Letter of P.S Alpiri (Andhra Pradesh)	105
20.	Police Letter of P.S Once Town, Ongale (Andhra Pradesh)	107
21.	Copy of F.I.R at Ongale	108
22.	Letter from Sub-Registrar Office Ongale	110
23.	Particular of Sale purchase of Property from Sub-Registrar Office Ongale	111
24	Copy of purchase deed (sale deed)	112
25	Copy of Sale deed	113
26	letter to Axis Bank for details of the accused Branch Ongale	114
27	letter from Axis Bank containing details of the accused	115
28	letter to Union Bank for details of the accused	116
29	letter from Union Bank containing details of the accused	117
30	letter regarding C.D.R and S.D.R details	118 & 119
31	details of C.D.R and S.D.R	120
32	Letter to Police Inspector Wardha	121
33	Letter to P. S. Shirdi	122

34	Letter to P. S. Rahta	123
35	Letter to Sub-Registrar Office Rahta, Dist- Ahmadnagar	124
36	Letter to P. S. Kotwali, Ahmadnagar.	125
37	Letter to Sub-Registrar Office Dist- Ahmadnagar	126
38	Letter from Income Tax Dept.	127
39	Request letter	128

B. DEFENCE EXHIBITS :

Sr. No.	Exhibit Number	Description
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C. COURT EXHIBITS :

Sr. No.	Exhibit Number	Description
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D. Material Objects :

Sr. No.	Material Object Number	Description
Nil	Nil	Nil

CERTIFICATE

The contents of this P.D.F. file Judgment/Order are same word to word, as per the assigned Judgment/Order.

Name of stenographer	**:**	**O. N. Dhamane, [Grade-III]**
Court	**:**	**Jt. Civil Judge Jr. Dn. & JMFC(Court No. 3), Wardha.**
Date	**:**	**07-08-2026**