

2026 LiveLaw (SC) 507

**IN THE SUPREME COURT OF INDIA
CRIMINAL APPELLATE JURISDICTION
MANOJ MISRA; J., N.V. ANJARIA; J.**

MAY 15, 2026

**CRIMINAL APPEAL NO. 2537 OF 2026 (Arising out of SLP (Crl.) No. 19305 OF 2025)
ALKA AGRAWAL AND OTHERS *versus* STATE OF MAHARASHTRA AND OTHERS**

Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999 – Sections 2(c), 2(d) and 3 – Scope and Definition of "Deposit" and "Financial Establishment" – Transaction termed as a "loan" falling within the ambit of MPID Act – Distinction between IPC offences and MPID Act remedies - Held: The nomenclature given to a transaction is irrelevant. Even if a transaction of advancing money is treated or termed as a "loan", it satisfies the necessary attributes and ingredients to constitute a "deposit" within the wide amplitude of Section 2(c) of the MPID Act if it involves the receipt of money returnable after a specified period with or without interest - looking at the expansive definition under Section 2(d) of the Act, private individuals or entities accepting such money assume the character of a "Financial Establishment" - The machinery under the MPID Act and the criminal proceedings under the IPC operate in entirely distinct statutory fields - Merely because the appellants were unsuccessful in establishing offences under Sections 420, 409, and 405 of the IPC, it would not imply a legal embargo or bar against invoking the specific independent recourse provided under Section 3 of the MPID Act. [Relied on *State of Maharashtra v. 63 Moons Technologies Ltd.*, (2022) 9 SCC 457; Paras 5-7]

For Petitioner(s): Mr. Naveen Hegde, AOR Ms. Bhargavi Bhardwaj, Adv.

For Respondent(s): Mr. Samrat Krishnarao Shinde, Adv. Mr. Siddharth Dharmadhikari, Adv. Mr. Aaditya Aniruddha Pande, AOR Mr. Shrirang B. Varma, Adv. Mr. Gagan Sanghi, Adv. Mr. Rameshwar Prasad Goyal, AOR

J U D G M E N T

N.V. ANJARIA, J.

Leave granted.

2. The present appeal is directed against judgment and order dated 14.08.2025 passed by the High Court of Judicature at Bombay, Nagpur Bench, Nagpur¹, dismissing Criminal Revision Application No.64 of 2024 filed by the appellants with cost of Rs.5,00,000/-.

2.1 The crux of the controversy is whether the amounts given by the appellants to respondent Nos.2 to 6 are covered within the ambit of concept of “deposit” as defined under Section 2(c) of the Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999².

3. The facts in the backdrop may be outlined. Appellant Nos.1 to 5 are the members of a family whereas appellant Nos.6 and 7 are two Companies. As stated by the appellants, somewhere in the year 2016, respondent No.2 approached them through one Mr. Vedant Prakash Agrawal and induced them to invest amounts for setting up a resort at Tadoba, Maharashtra, promising that, in return, the appellants would get interest at the rate of 24% per annum payable quarterly in advance. Guided by the representations and

¹ Hereinafter, “High Court”.

² Hereinafter, “MPID Act”.

assurances, the appellants invested total amount of Rs.2.51 crore by paying such amount through cheques or bank transfer in favour of respondent Nos.2 to 6.

3.1 The details of the amount paid by the appellants are as follows (i) Appellant Nos. 6 and 7 paid Rs.25,00,000/- each in favour of respondent Nos.5 and 6 (ii) Appellant No.1 advanced Rs.95,00,000/-, Rs.45,00,000/- and Rs.30,00,000/- to respondent Nos.2, 4 and 3 respectively (iii) Appellant No.2 paid Rs.10,00,000/- in favour of respondent No.4 (iv) Appellant No.5 paid Rs.4,25,000/- in favour of respondent No.3 (v) Appellant No.4 paid Rs.6,75,000/- in favour of respondent No.3 and (vi) Appellant No.3 paid Rs.10,00,000/- in favour of respondent No.3. The amounts, according to the appellants, were to be repaid by 31.12.2019. Respondent Nos.2 to 6 not only did not pay the interest but also failed to pay the principal amount to the appellants.

3.2 As respondent Nos.2 to 6 did not pay the interest nor did they repay the principal amount, the appellants took legal action against them on several fronts. The appellants sent legal notice dated 08.05.2021 to respondent Nos.2 to 6 demanding the principal sum of Rs.2.51 crore along with unpaid interest and then filed a complaint before the Commissioner of Police, Nagpur on 13.05.2021. In reply dated 22.05.2021 to the said legal notice of the appellants, respondent Nos.2 to 6 admitted that they had received the said amount but stated that as soon as the financial crisis caused by COVID-19 was over, they would pay the said amounts to the appellants. However, respondent Nos.2 to 6 denied that they were liable to repay the amount by a particular date or that they were bound to pay any interest.

3.3 It appears that the cheque bearing No.000521 dated 01.10.2021 drawn in favour of the appellants by respondent No.4 stood dishonoured for the reason “payment stopped by drawer”, which led appellant No.1 to issue a notice under Section 138 of the Negotiable Instruments Act, 1881³. Respondent No.4 admitted, in his response dated 17.11.2021, that she has accepted Rs.45,00,000/- from appellant No.1, however, again denied that interest was payable.

3.4 It further transpires that the appellants individually instituted various summary suits against respondent Nos.2 to 6 before the competent civil courts seeking recovery of the amounts given. However, request of the appellants to register the First Information Report⁴ against respondent Nos.2 to 6 was not accepted by the police. Therefore, the appellants filed Criminal Miscellaneous Application No.369 of 2022 praying for directions to the police station concerned for registration of the FIR against respondent Nos.2 to 6 under Sections 420, 409 and 405 read with Section 34, Indian Penal Code, 1860⁵.

3.5 The Chief Judicial Magistrate, Nagpur, by order dated 28.01.2022, directed the Deputy Commissioner of Police, Economic Offence Wing, Civil Lines, Nagpur to register the offence, which order, however, came to be challenged by respondent Nos.2 to 6 by filing Criminal Revision Application No.35 of 2022. The said Criminal Revision Application No.35 of 2022 was allowed by learned Additional Sessions Judge, Nagpur by order dated 04.03.2022 taking a view that no cognizable offence was disclosed from the allegations.

3.6 Aggrieved, the appellants filed Criminal Application (APL) No.404 of 2022 before the High Court, however, the High Court dismissed the same as per order dated

³ Hereinafter, “NI Act”.

⁴ Hereinafter, “FIR”.

⁵ Hereinafter, “IPC”.

05.04.2022, reasoning that payment of interest at the rate of 24% per annum on quarterly basis was indicative that the transaction was a “loan transaction”, and was of civil nature.

3.7 The appellants, having exhausted themselves in all the aforementioned litigation, finally filed a complaint on 20.10.2022 before the District Collector, Nagpur and the Principal Secretary Special (Home Department), Government of Maharashtra under the MPID Act against respondent Nos.2 to 6. On 09.03.2023, the Economic Offence Wing submitted a report expressing that no cognizable offence was made out against respondent Nos.2 to 6.

3.8 Thereafter on 03.04.2023, the appellants proceeded to file Criminal Miscellaneous Application No.158 of 2023 before learned Sessions Judge, Nagpur, under Section 156(3) of the Code of Criminal Procedure, 1973⁶ praying for registration of an FIR against respondents under Section 3 of the MPID Act. The said Criminal Miscellaneous Application came to be dismissed by order dated 22.11.2023.

3.9 The aforesaid order of learned Additional Sessions Judge was subjected to challenge by the appellants before the High Court by filing Criminal Revision Application No.64 of 2024, which stood dismissed as per the impugned judgment. The High Court, while dismissing the Criminal Revision Application, proceeded with three-dimensional reasoning. First was that the amounts received by respondent Nos.2 to 6 from the appellants between 30.09.2016 and 14.04.2019 were a “loan transaction” and that it would not fall within the purview of “deposit” under Section 2(c) of the MPID Act, and further that the dispute was of civil nature. Secondly, it was the view of the High Court that respondent Nos.2 to 6 did not come within the purview of “financial establishment” under Section 2(d) of the MPID Act. The third aspect which guided the High Court was that the instant application was identical to the earlier Criminal Application (Apl.) No. 404 of 2022 in which the applicants had invoked the offences under IPC against respondent Nos.2 to 6 and the High Court found that the ingredients of the said offences were not made out.

4. Learned counsel for the appellants Mr. Naveen Hegde assisted by other advocates submitted that the amounts given to respondent Nos.2 to 6 stands covered under the wide definition of “deposit” under Section 2(c) of the Act. The definition of “financial establishment” under Section 2(d) of the Act was also highlighted to submit that respondent Nos.2 to 6 would come within the purview of “financial establishment”. It was next submitted on behalf of the appellants that respondent Nos.2 to 6 have not disputed the receipt of amounts advanced to them by the appellants to be repaid with interest. Respondent Nos.2 to 6 defaulted in repaying the amounts and conducted themselves fraudulently, it was submitted.

4.1 Section 3 of the MPID Act was referred to, to submit that it prescribes that a “financial establishment” is liable where it has fraudulently defaulted in repayment of a “deposit” along with any other promised benefit. It was submitted that the expression “fraudulent default” contemplated a default with an intention of causing wrongful gain to one person or wrongful loss to another person.

4.1.1 Assailing the reasoning supplied in the impugned judgment by the High Court, it was submitted on behalf of the appellants that the other proceedings taken out by the appellants under Section 156(3), Cr.PC for the offences under Sections 420, 409 and 405 read with Section 34, IPC were different proceedings and cannot operate adverse to the claim of the appellants under the MPID Act.

⁶ Hereinafter, “CrPC”.

4.2 On the other hand, learned counsel Mr. Samrat Krishnarao Shinde assisted by advocate on record Mr. Rameshwar Prasad Goyal for the respondents raised the following submissions:

(i) The appellants have indulged in abuse of process of law inasmuch as the dispute is purely a civil dispute relating to repayment of loan given by appellant No.2, which was a transaction rooted on friendly terms with respondent No.2. A dispute regarding repayment of money given as loan is of civil nature.

(ii) The dispute of such a nature could not have been subjected to criminal proceedings just to exert pressure or to settle the score. The decisions in **Indian Oil Corpn. vs. NEPC India Ltd. and Others**⁷, **G. Sagar Suri and Another vs. State of U.P. and Others**⁸, **Shailesh Kumar Singh alias Shailesh R. Singh vs. State of Uttar Pradesh and Others**⁹ and **Anukul Singh vs. State of Uttar Pradesh and Another**¹⁰ were sought to be pressed into service in support of the proposition that a dispute which is essentially of civil nature cannot be given a cloak of criminal offence and criminal action could not have been employed to enforce recovery of the amount.

(iii) The appellants already resorted to other remedies. They filed application under Section 156(3), Cr.PC for direction to the police authority to register FIR in respect of offences under the IPC in which the appellants have remained unsuccessful up to the High Court and it was found that no cognizable offence was disclosed.

(iv) In those proceedings also, the fact was suppressed by the appellants that respondent Nos.2 to 6 have repaid Rs.1,81,06,259/- to them.

(v) The transaction was “loan transaction” and the appellants were to receive interest at 24% per annum on quarterly basis.

(vi) The offences under Sections 420, 409 and 405 read with Section 34, IPC as asserted against the respondents, having not been made out in the proceedings under Section 156(3), Cr.PC, it is now not open to the appellants to fall back upon the provisions of the MPID Act.

(vii) The provisions of the MPID Act would not attract in the facts of the present case as it has been the consistent case of the appellants that appellant No.2 is a “reputed businessman” and that he was on friendly terms with respondent No.2 who had requested appellant No.2 to lend money pursuant to which the loan was arranged by appellant No.1.

(viii) There is no “fraudulent default” by a “financial establishment” to attract Section 3 of the MPID Act.

(ix) Respondent Nos.2 to 6 did not make any impracticable or commercially unviable promises while accepting the loan, else they would not have repaid the part sum of loan.

(x) The amounts were not obtained by respondent Nos.2 to 6 under any scheme or by floating any scheme nor they had invited deposits from the public at large, in which circumstance, only the provisions of the MPID Act could apply.

5. The MPID Act, which received the assent of the President on 20th January 2000 and published in the Maharashtra Government Gazette, Part IV, dated 21st January 2000, was enacted with a view to protect the interests of depositors in the financial establishments

⁷ (2006) 6 SCC 736

⁸ (2000) 2 SCC 636

⁹ 2025 SCC OnLine SC 1462

¹⁰ 2025 SCC OnLine SC 2060

and the matters relating thereto. At the time of introduction of the Bill in the Legislature, the Statement of Objects and Reasons mentioned that the Statute was designed to protect the public from the increasing menace of Financial Establishments which, very often, grab money from the public in the form of deposits.

5.1 Noticing at the outset the purpose and spread of the MPID Act, following was stated in the Statement of Objects and Reasons,

“There is a mushroom growth of Financial Establishments in the State of Maharashtra in the recent past. The sole object of these establishments is of grabbing money received as deposits from public, mostly middle class and poor on the promises of unprecedented high attractive interest rates of interest or rewards and without any obligation to refund the deposit to the investors on maturity or without any provision for ensuring rendering of the services in kind in return, as assured. Many of these Financial Establishments have defaulted to return the deposits to public. As such deposits run into crores of rupees, it has resulted in great public resentment and uproar, creating law and order problem in the State of Maharashtra, especially in the city like Mumbai which is treated as the financial capital of India. It is, therefore, expedient to make a suitable legislation in the public interest to curb the unscrupulous activities of such Financial Establishments in the State of Maharashtra.”

5.1.1 A brief visit to the provisions of the Act would be relevant. Section 2(a) of the MPID Act defines “Competent Authority” to mean the authority appointed under Section 5 of the Act. “Designated Court” is one constituted under Section 6 of the Act. Section 2(c) defines “deposit”, whereas Section 2(d) contains the definition of “Financial Establishment”, which are reproduced hereinafter. Section 3 is about fraudulent default by Financial Establishments. Section 4 contemplates attachment of the properties on default of return of deposit over which the control is exercised by the Competent Authority appointed under Section 5 of the MPID Act.

5.1.2 Section 6 of the MPID Act is about constitution of “Designated Court” and Section 7 envisages the power of “Designated Court” regarding attachment. Section 8 is regarding attachment of properties of *mala fide* transferees. Section 9 provides for security in lieu of attachment, and Section 10 is regarding the administration of property attached. Appeal is provided under Section 11 of the Act.

5.1.3 Thus, the MPID Act is served by elaborate provisions both regulatory and penal in nature enacted to protect the depositors' interest. The Act could be said to be providing a quasi-criminal remedy, as Section 3 makes the offence of fraudulent default by the Financial Establishment to be an offence punishable with imprisonment for a term which may extend to six years with fine to extend to one lakh rupees on conviction. Criminal action for the said offence would lie against the defaulter and FIR could be lodged under the said Section 3 of the MPID Act.

5.1.4 The MPID Act is a self-contained Code, which creates an independent machinery and mechanism to provide remedial measures to the victim depositors and to check and punish Financial Establishments, which will include any person accepting deposit has fraudulently committed default duping the investors.

5.2 As the dispute in the present case, in its ultimate analysis, revolves around as to whether the payment made or amounts given by the appellants fall within the ambit of “deposit” as defined under the MPID Act, the relevant definition becomes pivotal to be considered. Section 2(c) of the MPID Act defines “deposit”.

5.2.1 The definition is extracted hereinbelow:

“2. Definitions.— In this Act, unless the context otherwise requires,—

.....

(c) “deposit” includes and shall be deemed always to have included any receipt of money or acceptance of any valuable commodity by any Financial Establishment to be returned after a specified period or otherwise, either in cash or in kind or in the form of a specified service with or without any benefit in the form of interest, bonus, profit or in any other form, but does not include—

(i) amount raised by way of share capital or by way of debenture, bond or any other instrument covered under the guidelines given, and regulations made, by the SEBI, established under the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(ii) amounts contributed as capital by partners of a firm;

(iii) amounts received from a scheduled bank or a co-operative bank or any other banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949);

(iv) any amount received from,—

(a) the Industrial Development Bank of India,

(b) a State Financial Corporation,

(c) any financial institution specified in or under section 6A of the Industrial Development Bank of India Act, 1964 (18 of 1964), or

(d) any other institution that may be specified by the Government in this behalf;

(v) amounts received in the ordinary course of business by way of,—

(a) Security deposit,

(b) dealership deposit,

(c) earnest money, (d) advance against order for goods or services;

(vi) any amount received from an individual or a firm or an association of individuals not being a body corporate, registered under any enactment relating to money lending which is for the time being in force in the State; and

(vii) any amount received by way of subscriptions in respect of a Chit.

Explanation I.— “Chit” has the meaning as assigned to it in clause (b) of section 2 of the Chit Funds Act, 1982 (40 of 1982);

Explanation II.— Any credit given by a seller to a buyer on the sale of an property (whether movable or immovable) shall not be deemed to be deposit for the purposes of this clause;”

5.2.2 The above definition *inter-alia* includes any receipt of money or acceptance of any valuable commodity by a Financial Establishment. The term “Financial Establishment” is defined in Section 2(d) of the MPID Act, which is as under,

“2. Definitions.— In this Act, unless the context otherwise requires,—

.....

(d) “Financial Establishment” means any person accepting deposit under any scheme or arrangement or in any other manner but does not include a corporation or a co-operative society owned or controlled by any State Government or the Central Government or a banking company as defined under clause (c) of section 5 of the Banking Regulation Act, 1949;”

5.2.3 “Financial Establishment” as defined in Section 2(d) means “any person” accepting deposit either under any scheme or arrangement or “in any other manner”. The definition takes out from its purview a corporation or cooperative society controlled or owned either

by the State or the Central Government. It also excludes a banking company as defined under Section 5(c) of the Banking Regulation Act, 1949.

5.2.4 The definition of “financial establishment” in Section 2(d) of the MPID Act has also a wide coverage to mean “any person accepting deposit under any arrangement or in any other manner”. The expanse of Section 2(d) of the MPID Act undoubtedly covers “any person accepting deposit”.

5.3 As stated, Section 3 of the MPID Act is in respect of fraudulent default committed by Financial Establishments. The section provides for punishment upon conviction of every person including the promoter, partner, director, manager or employee found responsible for the management or in conducting the business or affairs of the Financial Establishment which has fraudulently defaulted in the repayment of deposits.

5.3.1 Section 3 is extracted hereunder,

“3. Fraudulent default by Financial

Establishment.— Any Financial Establishment, which fraudulently defaults any repayment of deposit on maturity alongwith any benefit in the form of interest, bonus, profit or in any other form as promised or fraudulently fails to render service as assured against the deposit, every person including the promoter partner, director, manager or any other person or an employee responsible for the management of or conducting of the business or affairs of such Financial Establishment shall, on conviction, be punished with imprisonment for a term which may extend to six years and with fine which may extend to one lac of rupees and such Financial Establishment also shall be liable for a fine which may extend to one lac of rupees.

Explanation.— For the purpose of this section, a Financial Establishment, which commits default in repayment of such deposit with such benefits in the form of interest, bonus, profit or in any other form as promised or fails to render any specified service promised against such deposit, or fails to render any specific service agreed against the deposit with an intention of causing wrongful gain to one person or wrongful loss to another person or commits such default due to its inability arising out of impracticable or commercially not viable promises made while accepting such deposit or arising out of deployment of money or assets acquired out of the deposit in such manner as it involves inherent risk in recovering the same when needed shall, be deemed to have committed a default or failed to render the specific service, fraudulently.”

5.4 While extensively discussing the scheme of the MPID Act, this Court in **State of Maharashtra vs. 63 Moons Technologies Ltd.**¹¹ adverted to discuss the scope of the expression “deposit” in Section 2(c) of the MPID Act and observed that the definition has these ingredients, “(i) Any receipt of money or the acceptance of a valuable commodity by a financial establishment (ii) Such acceptance ought to be subject to the money or commodity being required to be returned after a specified period or otherwise, and (iii) The return of the money or commodity may be in cash, kind or in the form of a specified service, with or without any benefit in the form of interest, bonus, profit or in any other form.”

5.4.1 It was observed that specific exclusions are provided in clauses (i) to (vii) of Section 2(c) of the MPID Act. The Court highlighted that when the legislature mentioned in the definition in Section 2(c) the word “means”, the definition becomes exhaustive. It was pinpointed that Section 2(c) uses the phrase “includes and shall be deemed to have always included”. The Court further stated that the import of the same creates a legal fiction and the use of the words “includes” and “deemed to have always included” make the term “deposit” inclusive and not restrictive.

¹¹ (2022) 9 SCC 457

5.4.2 Following was observed in **63 Moons Technologies Ltd.** (supra) regarding the expression “deposit”,

“The expression “deposit” is conspicuously broad in its width and ambit for it includes, not only any receipt of money but also the acceptance of any valuable commodity by a financial establishment under any scheme or arrangement. As a matter of interest, we may note at this stage that the expression “any” is used in the substantive part of the definition of the expression “deposit” on five occasions, namely:(i) Any receipt of money; (ii) Any valuable commodities; (iii) By any financial establishment; (iv) With or without any benefit; and (v) In any other form.”

(Para 50)

5.4.3 In the same way, the Court in the very decision, stated that the definition of “Financial Establishment” was indicated to be referring to the acceptance of deposits under any scheme or arrangement or “in any other manner”. The repeated use of the expression “any” by the statute while defining both the above expressions namely “deposit” in Section 2(c) and “Financial Establishment” in Section 2(d) is a clear reflection of legislative intent to cast the net of the regulatory provisions of the law in a broad and comprehensive manner.

5.4.4 It was further observed that “unlike many other State enactments which govern the field, clause (c) of Section 2 of the MPID Act comprehends within the meaning of “deposit” not only the receipt of money but any valuable commodity as well”. The Court juxtaposed the definition in Section 2(c) of the MPID Act with the definition of “deposit” in the similar laws by the State of Tamil Nadu, State of Orissa, State of Kerala, State of Himachal Pradesh, State of Goa, State of Telangana, State of Andhra Pradesh and State of Sikkim, which define the term “deposit” only in terms of acceptance of money and not the acceptance of commodities.

5.4.5 What is to be underlined is that the import of “deposit” under Section 2(c) of the MPID Act is wide enough so as to include the acceptance of money in any manner, whatever may be the nomenclature. Similarly, the definition of “Financial Establishment” in Section 2(d) uses the group of words “any person accepting deposit” and “in any other manner” to spread its net or coverage.

6. Reverting back to the facts of the instant case, admittedly, the amount of Rs.2.51 crore was advanced by the appellants to respondent Nos.2 to 6 with the promise for repayment of the same with quarterly interest. The factum of the transaction and the receipt of the amounts are not disputed by respondent Nos.2 to 6. As could be easily noticed from the definition of the term “deposit” in Section 2(c) of the MPID Act, reproduced above, the “deposit” is a term with a wide amplitude. It encompasses “any receipt of money to be returned after a specified period or otherwise with or without benefit of interest”.

6.1 The definition of “deposit” has three facets in the nature of ingredients. First is that there should be any receipt of money or acceptance of a valuable commodity by a financial establishment. On the second, the acceptance contemplated should be returnable after a specified period and thirdly, the return of such money or commodity could be in cash, kind, with or without any benefit of interest. All the above necessary ingredients to constitute “deposit” within the meaning of Section 2(c) of the MPID Act stands satisfied in respect of the transaction between the appellants and respondent Nos. 2 to 6.

6.2 Such “deposit” should be accepted by a “financial establishment”. Looking to the wide import of the definition of Section 2(d) of the Act, since it includes any person accepting deposits, a private respondent like respondent Nos.2 to 6 who accepted the money which was deposited stand covered within the concept of “Financial

Establishment”. The individual persons like respondents herein accepting the deposit and fraudulently defaulting become a “Financial Establishment” within the definition of Section 2(d) of the Act, and could be subjected to legal action under the provisions of the MPID Act.

6.3 The contention that giving of amounts to respondent Nos.2 to 6 was a transaction of “loan”, is a convenient suggestion. Even if the transaction is named as “loan”, it would not take it out of the scope of the term “deposit” as defined. Nomenclature of the transaction is not relevant. It is not the nomenclature but the ingredients or the basic attributes with which the transaction is informed and characterised that would make and mould the transaction to become “deposit” under Section 2(c) of the MPID Act. Therefore, even if lending of money by the appellants to respondent Nos.2 to 6 was to be treated and termed as “loan”, it would remain a “deposit” in the nature of money received by respondent Nos.2 to 6 who have the robes of “financial establishment” as contemplated under Section 2(d) of the MPID Act.

6.4 It is true that the appellants filed proceedings before the Court of learned Chief Judicial Magistrate, Nagpur seeking registration of FIR against respondent Nos. 2 to 6 alleging the offences under Sections 420, 409 and 405 read with Section 34, IPC, and that the appellants could not succeed inasmuch as the courts held that no offence under the IPC as alleged was made out. But then, the merits of the aspect as to whether the lending of amount is “deposit” within the meaning of MPID Act and whether the machinery under Section 3 of the MPID Act could be set into motion cannot take colour from the consideration that the criminal offences under the IPC could not be made out.

6.5 While the criminal proceedings in respect of the offences under the IPC in their outcome operate in their own sphere, the machinery under the MPID Act has a different field to operate. Both are the different statutory regimes. Merely because the offences under the IPC were not established before the criminal court, it would not imply that it becomes a kind of embargo against putting into motion the provisions of the MPID Act or that the invocation of provisions of the MPID Act is barred thereby.

6.6 It is not possible to take a view that the two areas of remedies namely under the criminal law and by invoking the provisions of the MPID Act, have the common aspects and ingredients to follow, for, both operate in a distinct field and in different ways. Non-making out of offences under the IPC cannot be equated with non-applicability of the provisions of MPID Act. The concepts thereunder have distinct and separate legal connotations and a complaint under Section 3 of the MPID Act is an independent recourse under the specific law.

6.7 The contention is therefore entirely misconceived that having failed to establish the offences under the IPC, the complaint under Section 3 of the MPID Act could not be maintained. In the same way, the plea that the dispute is of civil nature bear no relevance, once it is found that the transaction between the appellants and respondent Nos.2 to 6 satisfies the essentials of the definition under Section 2(c) read with Section 2(d) of the MPID Act to become “deposit”, accepted by “Financial Establishment” entitling the appellants to file a complaint under Section 3 of the MPID Act.

6.8 In light of the foregoing discussion and reasons, there is no escape from the conclusion that the amounts lent by the appellants to respondent Nos.2 to 6 were “deposit” within the scope and ambit of the definition in Section 2(c) of the Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999. Respondent Nos.2 to 6

as recipients of the amounts assume the character of a “Financial Establishment” as defined in Section 2(d) of the MPID Act.

7. The view taken by the High Court in dismissing Criminal Revision Application No.64 of 2024 filed by the appellants is wholly erroneous in law.

8. The judgment and order dated 14.08.2025 passed in the said Criminal Revision Application No.64 of 2024 and the reasons supplied therein for rejecting the case of the appellants are set aside.

9. The appellants are entitled to invoke Section 3 and proceed under the MPID Act, to be further entitled to have the remedies under the MPID Act for ventilation of their grievance.

10. The appeal is accordingly allowed. Any interlocutory application, as may be pending, shall not survive in view of disposal of the main appeal.

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