



**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

**CRM-M-14123-2026 (O&M)
DECIDED ON: 23.03.2026**

EMAAR INDIA LTD.

.....PETITIONER

VERSUS

STATE OF HARYANA AND ANOTHER

.....RESPONDENTS

CORAM: HON'BLE MS. JUSTICE MANDEEP PANNU

Present: Mr. R.S. Rai, Sr. Advocate and
Mr. Kunal Dawar, Sr. Advocate assisted by
Mr. Vipul Sharma and Ms. Rubina Virmani, Advocates and
Mr. Ankit Singh, Advocate
for the petitioner.

Mr. Sushil Bhardwaj, Addl. A.G. Haryana.

Mr. Chetan Mittal, Sr. Advocate assisted by
Mr. Arun Khatri and Mr. Krish Mahajan, Advocates
(through V.C.)

Mr. Mayank Agarwal, Advocate
Mr. Pranavjeet Singh and Mr. Shashank, Advocates
for respondent No.2.

MANDEEP PANNU, J (ORAL)

1. This is a petition under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023, seeking quashing of the impugned order dated 10.03.2026 passed by the Court of Sh. Manish Kumar, Ld. Additional Chief Judicial Magistrate, Gurugram, in Complaint Case No. COMI/110/2026 dated 03.02.2026 titled "Synergy Finhub LLP vs. Emaar India Ltd.", whereby directions were issued for registration of FIR against the petitioner-

company and its officials. The present petition also seeks quashing of FIR No. 66 of 2026 dated 11.03.2026 registered at Police Station Civil Lines, Gurugram, under Sections 3(5), 308(2), 318(3), 318(4), 343 and 61 of the Bharatiya Nyaya Sanhita, 2023 (erstwhile Sections 34, 384, 418, 420, 477 and 120-B IPC), and all other subsequent and consequential proceedings arising out of the said purported FIR.

2. Briefly stated, the facts of the present case are that a complaint was filed by the complainant/respondent under Section 223 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (corresponding to Section 200 Cr.P.C.) against the accused persons for offences punishable under Sections 318 (cheating), 308 (extortion), 343 (forgery of valuable security) read with Section 61(2) (criminal conspiracy) and Section 3(5) of the Bharatiya Nyaya Sanhita, 2023. It has been averred in the complaint that disputes arose out of a Joint Development Agreement between the parties, followed by various transactions, communications and subsequent developments. It is further broadly alleged that certain material facts were concealed, and multiple third-party claims later surfaced, revealing such concealment. In particular, claims were raised by Tejas Home Build Private Limited, Nanny Infrastructure Private Limited and MGF Developments Limited, asserting rights over portions of the land in question. It is alleged that these pre-existing arrangements and claims were never disclosed to the complainant at the relevant time. The complaint otherwise refers to execution of agreements, subsequent correspondence, regulatory proceedings, payments made, and disputes arising thereafter, culminating in the filing of the present complaint.

3. In the said complaint, an Action Taken Report (ATR) was

called, and it was reported by the Investigating Officer that a preliminary inquiry was conducted into the allegations. It was noted that the complainant had submitted the complaint to the police authorities and joined the inquiry proceedings, and notices were issued to the accused, who also appeared and filed their replies along with documents. The ATR briefly records the background of the parties, execution of the Joint Development Agreement, subsequent transactions, communications and disputes between them. It further notes emergence of certain third-party claims over the land, including those relating to prior collaboration/development agreements, and the existence of earlier arrangements concerning portions of the project land. The ATR, however, concludes that the dispute between the parties is essentially contractual/civil in nature arising out of the terms of the JDA and related transactions, and at that stage no cognizable offence was made out, though certain aspects regarding prior undisclosed arrangements were noticed during the inquiry.

4. The learned Additional Chief Judicial Magistrate, Gurugram, while passing the impugned order dated 10.03.2026, has observed that the material placed on record, including the complaint, documents and Action Taken Report, *prima facie* discloses commission of cognizable offences warranting registration of FIR. It has been noted that although the dispute arises out of a Joint Development Agreement (JDA), the allegations are not confined merely to breach of contractual obligations but extend to deliberate concealment of material facts and prior arrangements, thereby attracting criminal liability.

5. The Court has specifically observed that there was suppression of pre-existing collaboration/development agreements concerning the project

land. In this regard, it has been noticed that Jay Propbuild Private Limited (an Emaar subsidiary) had entered into a prior collaboration agreement dated 26.02.2013 with Tejas Home Build Private Limited, and Rudraksh Realtors Private Limited (also an Emaar subsidiary) had executed development agreements dated 25.09.2010 and 17.01.2013 with Nanny Infrastructure Private Limited over a substantial portion of the land. These prior binding arrangements were not transparently disclosed to the complainant at the time of execution of the JDA, thereby indicating concealment of material facts.

6. The trial Court further observed that such suppression of prior encumbrances and third-party interests, coupled with representations of clear and marketable title, *prima facie* amounts to deception and fraudulent inducement. It has also been observed that the JDA itself assumes the character of a forged valuable security, as it is alleged to have been executed on the basis of false representations and concealment, thereby attracting the offence under Section 343 of the Bharatiya Nyaya Sanhita.

7. The Court has also taken note of the fact that despite the complainant approaching the police authorities and participating in the preliminary inquiry, no FIR was registered, and such inaction necessitated judicial intervention. While acknowledging that certain aspects of the dispute may have civil or commercial elements, the Court has categorically held that the criminality involved in deceit, fraud and concealment cannot be overlooked merely on the ground that civil remedies are also available.

8. Accordingly, the learned Magistrate concluded that the allegations disclose a *prima facie* case of cheating, extortion, forgery and criminal conspiracy, and that a thorough police investigation is required, particularly in view of the concealment of prior collaboration agreements,

financial transactions and inter se dealings between multiple entities. On these considerations, directions were issued for registration of FIR and investigation into the matter.

9. The petitioner has challenged the impugned order dated 10.03.2026 primarily on the ground that the learned ACJM, Gurugram has mechanically directed registration of FIR without proper appreciation of the material on record and in disregard of the Action Taken Report (ATR), which clearly opined that no cognizable offence is made out. It is contended that the impugned order suffers from non-application of mind and is legally unsustainable. Firstly, it is urged that the learned Magistrate failed to properly appreciate the ATR submitted by the police, which had categorically concluded that no offence is disclosed. It is contended that the impugned order selectively relies upon parts of the ATR while ignoring its final conclusion, thereby rendering the order perverse.

10. Learned Senior counsel for the petitioner further submits that the impugned order has been passed in a mechanical and casual manner without examining the true nature of the dispute or the intent of the complainant, and without recording cogent reasons justifying invocation of powers under Section 175(3) BNSS. It is contended that there was an unexplained and substantial delay in filing the complaint despite the complainant having prior knowledge of the dispute, which has not been considered by the learned Magistrate. It is further argued that the application under Section 175(3) BNSS does not disclose commission of any cognizable offence warranting registration of FIR and the said provision cannot be invoked in a routine manner in purely contractual disputes. The petitioner asserts that the learned Magistrate ignored the fact that the police inquiry

had already examined all aspects of the complaint and found no criminality, yet proceeded to direct registration of FIR.

11. It is contended that the impugned order has been passed without proper judicial application of mind and in violation of settled principles governing exercise of powers under Section 156(3) Cr.P.C./175(3) BNSS. The petitioner submits that the complaint itself is vitiated by suppression and concealment of material facts, particularly the pendency of arbitration proceedings initiated prior to filing of the complaint, which was not disclosed to the Magistrate. It has been further argued that the complainant has acted with *mala fide* intent by initiating parallel criminal proceedings despite having already invoked arbitration remedies, thereby abusing the process of law. It is contended that the dispute between the parties is purely civil and contractual in nature arising out of a Joint Development Agreement, and has been wrongly given a criminal colour to exert pressure on the petitioner. The petitioner submits that essential ingredients of the alleged offences, including dishonest intention and fraudulent inducement, are not made out, and no wrongful loss or gain attributable to criminal intent is disclosed.

12. Lastly, it is argued that even the allegation relating to offence under Section 343 BNS (corresponding to Section 477 IPC) is misconceived, as lawful termination of a contract cannot be equated with destruction or falsification of a valuable security, and thus no such offence is made out. On these grounds, the petitioner contends that the impugned order directing registration of FIR is arbitrary, illegal and liable to be set aside. The petitioner, in support of the aforesaid contentions, has placed reliance upon a judgment of the Hon'ble Supreme Court in '*Dinesh Gupta vs. State of Uttar*

Pradesh and another, (2024) 11 SCC 758. In the said judgment, it has been held that where the dispute is essentially civil/commercial in nature, initiation of criminal proceedings amounts to abuse of process of law, particularly when there is non-application of mind by the Magistrate while passing the summoning order or directing registration of FIR.

13. It has further been held that concealment of material facts by the complainant and initiation of malicious prosecution for ulterior motives are relevant considerations for quashing of criminal proceedings. The Hon'ble Supreme Court has emphasized that criminal law cannot be permitted to be used as a tool for arm-twisting in civil disputes and that orders passed mechanically without due application of mind are liable to be set aside. The petitioner submits that the present case is squarely covered by the said judgment.

14. The respondent-complainant has vehemently opposed the present petition and contended that the impugned order has been rightly passed as the complaint discloses *prima facie* commission of serious cognizable offences. It is submitted that the accused persons, including the present petitioner, were involved in a well-orchestrated scheme of cheating by concealment of material facts, extortion through economic duress and criminal conspiracy, thereby inducing the complainant to enter into the Joint Development Agreement.

15. It is contended that at the time of execution of the JDA, the petitioner deliberately concealed pre-existing collaboration/development agreements executed through its subsidiaries with third parties, including agreements dated 26.02.2013 and 25.09.2010/17.01.2013, which pertained to substantial portions of the project land. These material facts, if disclosed,

would have dissuaded the complainant from investing, and their suppression amounts to cheating by dishonest concealment.

16. The complainant further submits that after execution of the agreement, the conduct of the accused reflected a continuing pattern of deception and coercion, inasmuch as they delayed execution of necessary addendums, allowed the LOI to lapse, and thereafter demanded additional amounts, ultimately compelling the complainant to pay huge sums under economic duress. It is further alleged that despite the complainant investing substantial amounts and securing licenses, the petitioner ultimately terminated the arrangement and forfeited the amounts, thereby causing wrongful loss.

17. It is also contended that the dispute is not merely civil in nature, as the elements of fraudulent inducement, misrepresentation, concealment of prior encumbrances, and conspiracy are clearly made out, attracting criminal liability under the relevant provisions of the Bharatiya Nyaya Sanhita.

18. The complainant has further pointed out that due to the prior undisclosed agreements and resulting third-party claims, it was constrained to enter into a compromise with M/s Tejas Home Build Pvt. Ltd. in respect of the subject land. In terms of the said compromise, the complainant was required to pay a sum of ₹1,00,00,000/- (Rupees One Crore) and also make allocation of developed residential units, which financial burden arose directly on account of the concealment and prior commitments made by the petitioner and its group entities. It is thus contended that such compromise and payment further demonstrate the prejudice and loss caused to the complainant due to the acts of the accused.

19. It is, therefore, submitted that in view of the serious allegations, magnitude of financial transactions, involvement of multiple entities including foreign components, and the need for thorough investigation, the learned Magistrate has rightly directed registration of FIR, and no interference is warranted by this Court.

20. I have heard learned counsel for the parties and have gone through the record with their assistance.

21. At the outset, this Court is mindful of the settled position of law that the power of quashing is to be exercised sparingly. The Hon'ble Supreme Court in '*Neeharika Infrastructure Pvt. Ltd. vs. State of Maharashtra*', (2021) 19 SCC 401, has categorically held that Courts should not ordinarily interfere at the stage of investigation and that quashing of FIR is an exception rather than the rule. It has further been held that if the FIR discloses commission of a cognizable offence, the Court should permit the investigation to proceed.

22. The principal contention of the petitioner is that the dispute is purely civil arising out of a Joint Development Agreement. However, it is now well settled that civil and criminal proceedings can proceed simultaneously, if the allegations disclose ingredients of criminal offences. The Hon'ble Supreme Court in *Neeharika Infrastructure Pvt. Ltd.'s (supra)* as well as in catena of judgments has held that merely because a transaction has civil consequences, criminal law is not barred where elements of deception, inducement or concealment are alleged. In the present case, the learned ACJM has also observed that although the dispute has civil facets, the allegations are not confined to breach of contract but extend to cheating

by concealment, inducement and conspiracy. This Court finds no infirmity in the said approach.

23. A crucial allegation in the complaint is that the petitioner concealed prior collaboration agreements with third parties. From the record, it *prima facie* emerges that collaboration agreements with Tejas Home Build Pvt. Ltd. (2013) and Nanny Infrastructure Pvt. Ltd. (2010/2013) pertained to substantial portions of the project land and these agreements were allegedly not disclosed at the time of execution of the JDA. The petitioner has attempted to contend that certain other collaborations were either disclosed or came into existence subsequent to the JDA. Even if that submission is accepted at this stage, the non-disclosure of Tejas and Nanny agreements, which were pre-existing and material, cannot be brushed aside. Such concealment, if established, goes beyond a mere contractual breach and *prima facie* attracts ingredients of cheating and fraudulent inducement. Therefore, this ground does not merit acceptance.

24. It is true that the learned ACJM, in one part of the order, has observed that the agreement appears to be forged or fabricated. This Court is of the view that such an observation is not borne out from the record. On the contrary, it is an admitted position that arbitration proceedings under Section 9 of the Arbitration and Conciliation Act have been initiated and the complainant is seeking enforcement of the very same agreement and has opposed its termination. Thus, it cannot be said that the complainant's case is that the agreement is forged or fabricated. To that extent, the observation of the learned ACJM is erroneous. However, this incorrect observation does not vitiate the entire order, as the core reasoning of the Magistrate is based

on concealment of material facts and inducement, which independently constitute a *prima facie* case.

25. The petitioner has heavily relied upon the Action Taken Report to contend that no offence is made out. This Court finds that the learned Magistrate was not bound by the conclusion of the ATR and was competent to independently assess the material. The Magistrate has considered the complaint, documents and surrounding circumstances before directing registration of FIR. Merely because the ATR opines otherwise, the same does not preclude the Magistrate from exercising jurisdiction, particularly when allegations disclose cognizable offences.

26. The plea regarding delay is also not sufficient to quash the proceedings at this stage. The issue of delay and its explanation is a matter of appreciation of evidence and cannot be a ground for quashing when the allegations otherwise disclose commission of offences.

27. The existence of arbitration proceedings does not bar criminal prosecution. Rather, as noticed earlier, both remedies can co-exist. The allegation of concealment of prior encumbrances and inducement stands independent of contractual remedies.

28. The petitioner has relied upon the judgment in *Dinesh Gupta's case (supra)*. The said judgment is distinguishable on facts. In that case, the dispute was found to be purely commercial, there was complete absence of criminal intent and the Court also found concealment and malicious prosecution by the complainant. In the present case, however, there are specific allegations of non-disclosure of prior agreements, particularly with Tejas Home Build Pvt. Ltd. and Nanny Infrastructure Pvt. Ltd, there are assertions of inducement and subsequent financial loss, and the complainant

has also demonstrated consequences, including compromise with Tejas Home Build Pvt. Ltd. involving payment of ₹1 crore. Thus, the ratio of the said judgment does not apply to the facts of the present case.

29. As per *Neeharika Infrastructure Pvt. Ltd.'s case (supra)*, the Court is not required to conduct a mini-trial or examine the correctness of allegations. The only test is whether the FIR discloses a cognizable offence. In the present case, allegations of concealment of material facts, inducement to invest and subsequent coercive financial demands *prima facie* disclose offences warranting investigation.

30. In view of the above discussion, this Court is of the considered opinion that the impugned order passed by the learned ACJM does not suffer from illegality or perversity, the allegations in the complaint disclose a *prima facie* case requiring investigation and the grounds raised by the petitioner do not fall within the limited parameters for quashing of FIR.

31. Accordingly, the present petition is dismissed.

32. All pending miscellaneous application(s), if any, stands disposed of.

23.03.2026

Poonam Negi

(MANDEEP PANNU)
JUDGE

Whether speaking/reasoned

Yes/No

Whether reportable

Yes/No