



1 **M.Cr.C No.19875/2026, W.P. No.29962/2025 & W.P. No.32000/2025**

**IN THE HIGH COURT OF MADHYA PRADESH
AT INDORE**

BEFORE

HON'BLE SHRI JUSTICE SUBODH ABHYANKAR

AND

HON'BLE SHRI JUSTICE JAI KUMAR PILLAI

DELIVERED ON 13th OCTOBER, 2026

M.Cr.C. No.19875/2026

VIVEK CHUGH S/O MOHAN LAL CHUGH AND OTEHRS

Versus

ECONOMIC OFFENCE WING AND ANOTHER

Appearance:

**Shri R.S. Chabbra – Senior Advocate with Shri Aman
Arora – Advocate for the petitioners.**

**Shri Pradyumma Kibe – Government Advocate and Shri
Lokendra Joshi – Advocate for the respondents No.1 and 2.**



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W.P. No.29962/2025

DR. AMRESH NAIDU S/O MADAN GOPAL

Versus

STATE OF M.P. AND OTHERS

Appearance:

Shri Rishi Tiwari – Advocate for the petitioner.

**Shri Pradyumma Kibe – Government Advocate –
Advocate for the respondent No.1.**

**Shri Lokendra Joshi – Advocate for the respondents No.2
and 3.**

**Shri Devaasheesh Dubey – Advocate for the respondent
No.4.**

W.P. No.32000/2025

SANJAY SINGH

Versus

STATE OF M.P. AND OTHERS

Appearance:

Shri Manu Maheshwari – Advocate for the petitioner.



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Shri Pradyumma Kibe – Government Advocate for the respondent No.1.

Shri Lokendra Joshi – Advocate for the respondents No.2 and 3.

Per: Justice Jai Kumar Pillai :

ORDER

1. These three connected petitions arise from the same facts and circumstances. They are being heard and decided together by this common order. For convenience, the facts are taken from MCRC No.19875 of 2026.

2. The present petitions have been filed under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023. The applicants seek the quashing of the First Information Report bearing Crime No.103/2025. This FIR was registered on 05.07.2025 at Police Station Economic Offences Wing, District Indore. The FIR alleges the commission of offences punishable under Sections 318(4), 61(2), 338, 336(3), and 340 of the Bharatiya Nyaya Sanhita, 2023. It also alleges offences under Section 7 of the Prevention of Corruption Act, 1988. The applicants claim that the criminal proceedings are entirely illegal and abuse of the legal process.

**FACTS OF THE CASE**

3. The applicants state that they are permanent residents of Indore and hold a good reputation in society. Between 19.09.2024 and 01.10.2024, sale deeds for nine commercial plots were executed. These plots are numbered C-1 to C-9 and are situated at Khasra No. 347/1/2, 347/1/1, and 346. The revenue estate is Village Mangliya Sadak, A.B. Bypass Road, Tehsil Sanwer, District Indore.

4. The plots were sold by M/s DLF Garden City Indore Private Limited in favour of the applicants. For preparing the conveyance deeds, the applicants approached a service provider named Mr. Murtaza Arif. They provided him with the previous sanctioned layout plan and the revised sanctioned layout plan. The sale deeds were then executed and registered before the concerned Sub-Registrar.

5. In February 2025, a complaint was made by one Vijay Kumar Verma to the Inspector General of Registration. The complaint alleged that the Sub-Registrars, with the help of the service provider, altered the guideline value of the plots. It was alleged that insufficient stamp duty was paid, causing a huge revenue loss of Rs. 8 to 10 Crores to the State Government.



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6. This complaint was forwarded to the Deputy Inspector General, Indore, and the Collector of Stamps for their reports. The Collector of Stamps called for a report from the concerned Sub-Registrar. A committee of three Sub-Registrars was formed to examine the issue. Based on their report, a case under Section 40(b) of the Indian Stamp Act, 1899, was registered by the Collector of Stamps.

7. During the pendency of that case, an anonymous complaint was submitted to the Economic Offences Wing. The police initiated an inquiry and sought information from the Collector of Stamps. Since the regular officer was on leave, another District Registrar submitted a report. The applicants claim this report was the result of a service dispute between the two officers.

8. A separate investigation was also conducted by the Additional Collector, Indore. He submitted a report on 08.04.2025 to the Collector, Indore. This report observed that the applicable guideline rate was Rs.25,400 per square meter for DLF Garden City. It stated that the applicants wrongly applied the rate of Rs.14,200 per square meter for Gram Mangliya Sadak.

9. The report further stated that since the land is on a National Highway, a 100 percent higher rate of Rs.50,800 should have been applied. The report calculated a massive difference in the stamp duty paid and the duty actually payable. Based on this report and the



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preliminary inquiry, the Economic Offences Wing registered the present FIR against the applicants and the registration officials.

10. Following the registration of the FIR, the co-accused registration officials filed writ petitions before this Court. The Court granted interim protection to them, observing that the Additional Collector is not the competent authority to adjudicate valuation under the Rules of 2018. The present applicants were also granted interim protection from coercive action in separate writ petitions.

CONTENTIONS OF PETITIONERS

10. Learned Senior counsel for the applicants submits that the FIR is based on a report dated 08.04.2025 which is completely without jurisdiction. The Additional Collector has no authority under the Indian Stamp Act or the Registration Act to conduct an inquiry regarding stamp duty. It is submitted that only the Collector of Stamps has the statutory power to determine any deficiency in stamp duty.

11. The counsel points out that the Collector of Stamps is already conducting an inquiry under Sections 33, 40, and 48-B of the Indian Stamp Act. Therefore, the parallel criminal investigation by the police is arbitrary and illegal. It is further submitted that the applicants have



not committed any forgery or cheating. The dispute is purely civil in nature, relating to the correct valuation of the property.

12. Learned counsel relies on the judgments in **Ravindra Babulal Jain v. State of Maharashtra (2015 SCC OnLine Bom 5002)** and **Sudha Gupta v. State of M.P. (2020 SCC OnLine MP 3955)**. It is argued that evasion of stamp duty does not constitute an offence under the penal code. The statute provides a specific remedy for recovery of deficit stamp duty with a penalty.

13. It is also submitted that the plots are located outside the gated colony of DLF Garden City. They do not have access to internal amenities. Therefore, the applicants correctly applied the guideline rate of Rs. 14,200 per square meter for Gram Mangliya Sadak. The sale deeds were prepared by an expert service provider, and the applicants acted in a bona fide manner without any criminal intent.

14. Learned counsel further relies on the M.P. Preparation and Revision of Market Value Guideline Rules, 2018. It is argued that Clause 2.1 of the relevant guidelines states that if a property situated on a road has a separately fixed rate, the rule of adding 100 percent extra value does not apply. The police and the Additional Collector deliberately ignored this specific provision to create a false case.

CONTENTIONS OF RESPONDENTS



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15. Learned counsel for the respondent/State and counsel for other respondents strongly opposes the petition and submits that it is entirely misconceived. It is submitted that the FIR discloses serious cognizable offences involving the deliberate evasion of government revenue running into crores of rupees. The police must be allowed to complete the investigation in such serious economic offences.

16. Relying on the decision of the Hon'ble Supreme Court in **Neeharika Infrastructure Private Limited v. State of Maharashtra (2021) 19 SCC 401**, the State argues that the High Court should not stifle a legitimate prosecution at the initial stage. The Court is only required to see if the allegations disclose a cognizable offence. A detailed examination of merits cannot be done at this stage.

17. Learned counsel for the State and counsel for other respondents points out that the applicants intentionally suppressed material facts in the sale deeds. The plots are part of the approved DLF Garden City project. However, the applicants deliberately hid this fact and showed the property as simply situated at Gram Mangliya Road. This was done under a criminal conspiracy to secure registration at a much lower rate.

18. It is further submitted that the applicants, in active connivance with the registration authorities, manipulated the property description. The investigation reveals that the applicants deliberately



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tampered with the layout map and uploaded only a partial portion of it. This specific act of tampering directly attracts the offences of cheating, forgery, and creation of false documents.

19. The State contends that the total stamp duty payable was approximately Rs.18.71 Crores, but only Rs.5.38 Crores was deposited. This has caused a wrongful loss of about Rs.13.32 Crores to the State Exchequer. It is submitted that this is not a simple case of a bona fide valuation dispute. The deliberate concealment and manipulation make it a serious criminal offence requiring a full trial.

ANALYSIS AND CONCLUSION

20. We have carefully considered the submissions made by both sides and perused the entire record available.

21. The parameters for quashing criminal proceedings were clearly laid down in the landmark decision of **State of Haryana v. Bhajan Lal (1992 Supp (1) SCC 335)**. The Hon'ble Supreme Court held that the power to quash should be exercised very sparingly and with circumspection. It is only in the rarest of rare cases that the Court should interfere. The Court must not conduct an inquiry into the reliability of the allegations. The relevant portion is reproduced below:-



“102. In the backdrop of the interpretation of the various relevant provisions of the Code under Chapter XIV and of the principles of law enunciated by this Court in a series of decisions relating to the exercise of the extraordinary power under Article 226 or the inherent powers under Section 482 of the Code which we have extracted and reproduced above, we have given the following categories of cases by way of illustration wherein such power could be exercised either to prevent abuse of the process of any court or otherwise to secure the ends of justice, though it may not be possible to lay down any precise, clearly defined and sufficiently channelised and inflexible guidelines or rigid formulae and to give an exhaustive list of myriad kinds of cases wherein such power should be exercised.

(1) Where the allegations made in the first information report or the complaint, even if they are taken at their face value and accepted in their entirety do not prima facie constitute any offence or make out a case against the accused.

(2) Where the allegations in the first information report and other materials, if any, accompanying the FIR do not disclose a cognizable offence, justifying an investigation by police officers under Section 156(1) of the Code except under an order of a Magistrate within the purview of Section 155(2) of the Code.

(3) Where the uncontroverted allegations made in the FIR or complaint and the evidence collected in support of the same do not disclose the commission of any offence and make out a case against the accused.

(4) Where, the allegations in the FIR do not constitute a cognizable offence but constitute only a non-cognizable offence, no investigation is permitted by a police officer without an order of a Magistrate as contemplated under Section 155(2) of the Code.

(5) Where the allegations made in the FIR or complaint are so absurd and inherently improbable on the basis of which no



prudent person can ever reach a just conclusion that there is sufficient ground for proceeding against the accused.

(6) Where there is an express legal bar engrafted in any of the provisions of the Code or the concerned Act (under which a criminal proceeding is instituted) to the institution and continuance of the proceedings and/or where there is a specific provision in the Code or the concerned Act, providing efficacious redress for the grievance of the aggrieved party.

(7) Where a criminal proceeding is manifestly attended with mala fide and/or where the proceeding is maliciously instituted with an ulterior motive for wreaking vengeance on the accused and with a view to spite him due to private and personal grudge.

103. We also give a note of caution to the effect that the power of quashing a criminal proceeding should be exercised very sparingly and with circumspection and that too in the rarest of rare cases; that the court will not be justified in embarking upon an enquiry as to the reliability or genuineness or otherwise of the allegations made in the FIR or the complaint and that the extraordinary or inherent powers do not confer an arbitrary jurisdiction on the court to act according to its whim or caprice."

22. Further, in **Neeharika Infrastructure (P) Ltd. v. State of Maharashtra (2021) 19 SCC 401**, the Supreme Court strongly reiterated that courts would not thwart any investigation into cognizable offences. Criminal proceedings ought not to be scuttled at the initial stage. When an investigation is in progress, the court should not go into the merits of the allegations. The police must be permitted



to complete their statutory duty. The relevant portion is reproduced below:-

“13. From the aforesaid decisions of this Court, right from the decision of the Privy Council in Khwaja Nazir Ahmad [King Emperor v. Khwaja Nazir Ahmad, 1944 SCC OnLine PC 29 : (1943-44) 71 IA 203 : AIR 1945 PC 18] , the following principles of law emerge:

13.1. Police has the statutory right and duty under the relevant provisions of the Code of Criminal Procedure contained in Chapter XIV of the Code to investigate into cognizable offences.

13.2. Courts would not thwart any investigation into the cognizable offences.

13.3. However, in cases where no cognizable offence or offence of any kind is disclosed in the first information report the Court will not permit an investigation to go on.

13.4. The power of quashing should be exercised sparingly with circumspection, in the “rarest of rare cases”. (The rarest of rare cases standard in its application for quashing under Section 482CrPC is not to be confused with the norm which has been formulated in the context of the death penalty, as explained previously by this Court.)

13.5. While examining an FIR/complaint, quashing of which is sought, the Court cannot embark upon an enquiry as to the reliability or genuineness or otherwise of the allegations made in the FIR/complaint.

13.6. Criminal proceedings ought not to be scuttled at the initial stage.

13.7. Quashing of a complaint/FIR should be an exception



and a rarity than an ordinary rule.

13.8. *Ordinarily, the courts are barred from usurping the jurisdiction of the police, since the two organs of the State operate in two specific spheres of activities. The inherent power of the court is, however, recognised to secure the ends of justice or prevent the abuse of the process by Section 482CrPC.*

13.9. *The functions of the judiciary and the police are complementary, not overlapping.*

13.10. *Save in exceptional cases where non-interference would result in miscarriage of justice, the Court and the judicial process should not interfere at the stage of investigation of offences.*

13.11. *Extraordinary and inherent powers of the Court do not confer an arbitrary jurisdiction on the Court to act according to its whims or caprice.*

13.12. *The first information report is not an encyclopaedia which must disclose all facts and details relating to the offence reported. Therefore, when the investigation by the police is in progress, the court should not go into the merits of the allegations in the FIR. Police must be permitted to complete the investigation. It would be premature to pronounce the conclusion based on hazy facts that the complaint/FIR does not deserve to be investigated or that it amounts to abuse of process of law. During or after investigation, if the investigating officer finds that there is no substance in the application made by the complainant, the investigating officer may file an appropriate report/summary before the learned Magistrate which may be considered by the learned Magistrate in accordance with the known procedure.*

13.13. *The power under Section 482CrPC is very wide, but conferment of wide power requires the Court to be cautious. It casts an onerous and more diligent duty on the Court.*



13.14. *However, at the same time, the Court, if it thinks fit, regard being had to the parameters of quashing and the self-restraint imposed by law, more particularly the parameters laid down by this Court in R.P. Kapur [R.P. Kapur v. State of Punjab, 1960 SCC OnLine SC 21 : AIR 1960 SC 866] and Bhajan Lal [State of Haryana v. Bhajan Lal, 1992 Supp (1) SCC 335 : 1992 SCC (Cri) 426] , has the jurisdiction to quash the FIR/complaint.*

13.15. *When a prayer for quashing the FIR is made by the alleged accused, the Court when it exercises the power under Section 482CrPC, only has to consider whether or not the allegations in the FIR disclose the commission of a cognizable offence and is not required to consider on merits whether the allegations make out a cognizable offence or not and the court has to permit the investigating agency/police to investigate the allegations in the FIR.”*

23. In the present case, the FIR contains specific allegations that the applicants entered into a criminal conspiracy to defraud the State. It is alleged that they deliberately concealed the fact that the plots were part of the DLF Garden City project. The prosecution case is that the applicants intentionally described the location incorrectly to take advantage of a lower guideline rate.

24. More importantly, there are clear allegations that the applicants tampered with the layout map and uploaded only a partial portion of it. This allegation of documentary manipulation takes the matter beyond a simple civil dispute over valuation. The active connivance of the public officials in registering undervalued documents is also a subject matter of the ongoing investigation.



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25. We are of the considered opinion that the contentions raised by the applicants are essentially disputed questions of fact. Whether the plots actually fall within the gated colony or outside it requires a physical examination and trial. Whether the layout map was intentionally tampered with is a matter of evidence. These factual disputes cannot be decided by this Court under Section 528 of the BNSS.

26. The reliance placed by the applicants on the judgments in **Sudha Gupta (supra) and Ravindra Babulal Jain (supra)** are] not helpful. Those cases involved simple evasion of stamp duty without the elements of criminal conspiracy and active document forgery. Here, the State has specifically alleged that maps were tampered with and facts were deliberately suppressed. Therefore, the existence of parallel proceedings under the Stamp Act does not bar the criminal prosecution.

27. The proper application of the Guideline Rules of 2018 and the exact location of the property are matters to be established during the trial. This Court cannot hold a mini-trial to decide which guideline rate was legally applicable. The allegations made in the FIR, taken at their face value, clearly constitute cognizable offences.

28. For the reasons stated above, we are of the considered view that all the grounds raised by the applicants are disputed questions of



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fact. These questions require a thorough trial to be adjudicated properly. There is no valid ground for this Court to interfere with the investigation at this premature stage.

29. Accordingly, the petitions are **dismissed** being devoid of merit.

30. A copy of this order be placed in the record of the connected cases also.

(Subodh Abhyankar)
Judge

(Jai Kumar Pillai)
Judge

Aiyer*/PS