

**IN THE SUPREME COURT OF INDIA
EXTRAORDINARY APPELLATE JURISDICTION
SPECIAL LEAVE PETITION (CRL) NO.1698 OF 2026**

M/s. Gauri Buildcon

...Petitioner(s)

Versus

The State of Telangana & Anr. ...Respondent(s)

ORDER

The High Court, by the impugned order, refused to quash the chargesheet filed against the petitioner on a complaint filed by the 2nd respondent finding that the case involved diversion of huge amounts, which can only be properly adjudicated in a trial.

2. Today, when the matter was taken up for hearing, learned Counsel for the respondent-State informed us that, despite best efforts, the 2nd respondent could not be traced out. However, she submits that the chargesheet has been filed and the trial would commence immediately.

3. Learned Counsel for the petitioner, on the other hand, submits that it was purely a commercial transaction, and if at all the 2nd respondent has a claim, he could seek for recovery of money. There is absolutely no reason to find criminal liability on the petitioner and the criminal law is put in motion only as a strong-arm tactic.

4. The chargesheet has been produced as Annexure P12, which refers to the specific case of the 2nd respondent, the complainant, that his company, House of Electronics, paid an amount of Rs.4,15,35,000/- on 24.02.2023 to purchase Samsung mobile phones. The contention is that despite accepting the money, the stock was not transferred to the 2nd respondent. Obviously, it is purely a commercial transaction and the petitioner's remedy is by way of a civil suit, which if not initiated till now, it is hit by limitation, since three years have passed from 24.02.2023. However, if there is anything to indicate an extension of limitation, like an acknowledgement or a transaction after the date of initial transfer of money, the 2nd respondent would be entitled to file a civil suit for recovery.

5. We make it clear that we have not validated the claim for recovery, nor should the quashing of the criminal complaint be understood as having accepted the petitioner's case of no such transaction having occurred. If a civil suit is filed, the matter could be adjudicated on the basis of the evidence filed before it and all contentions of both parties are left open. The criminal complaint, however, cannot be continued, since if permitted, it would be an abuse of process of law.

6. We, hence, quash P12 chargesheet filed by the EOW Team-VI, CCS, DD, Hyderabad, pursuant to FIR No.153/2023 dated 03.05.2023

and direct that no further proceeding be taken on the same.

7. The Special Leave Petition is disposed of with the above direction, leaving liberty to the 2nd respondent to file a civil suit, subject to laws of limitation.

8. Pending application(s), if any, shall stand rejected.

..... J.
(J. B. PARDIWALA)

..... J.
(K. VINOD CHANDRAN)

**NEW DELHI;
OCTOBER 27, 2026.**

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition for Special Leave to Appeal (Crl.) No.1698/2026

[Arising out of impugned final judgment and order dated 07-10-2025 in CRLP No. 12109/2025 passed by the High Court for the State of Telangana at Hyderabad]

M/S. GAURI BUILDCON

Petitioner(s)

VERSUS

THE STATE OF TELANGANA & ANR.

Respondent(s)

Date : 27-10-2026 This petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE J.B. PARDIWALA

HON'BLE MR. JUSTICE K. VINOD CHANDRAN

For Petitioner(s) :

Ms. Khushbu Sahu- 3787, AOR
Mr. Piyush Sanghi, Adv.
Mr. Nikhil Singh, Adv.
Mr. Ashish Mishra, Adv.
Ms. Sana Parveen, Adv.
Mr. Jayant Yadav, Adv.
Ms. Sharmishta Solnki, Adv.
Mr. Aditya Singh Raghuvanshi, Adv.
Ms. Arshiya Goel, Adv.
Mr. Dishant Yadav, Adv.
Mr. Naman Jain, Adv.
Mr. Raahithya Raj Mishra, Adv.

For Respondent(s) :

Ms. Devina Sehgal, AOR
Mr. Yatharth Kansal, Adv.
Mr. Srikanth Varma Mudunuru, Adv.

UPON hearing the counsel the Court made the following
O R D E R

1. The Special Leave Petition is disposed of, in terms of the signed order.
2. Pending application(s), if any, shall stand rejected.

(VISHAL ANAND)
DEPUTY REGISTRAR

(POOJA SHARMA)
COURT MASTER (NSH)

(Signed Order is placed on the file)