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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **CRL.M.C. 9342/2023**

LALIT KUMAR JAIN & ORS.

..... Petitioners

Through: Mr Rajshekhar Rao, Sr. Advocate with Mr Madhav Khurana, Mr Ravhavendra Mohan Bajaj, Mr Agnish Aditya, Ms Riya Arora, Mr Shagun Agarwal, Advocates along with petitioner no.1 in person, as well as, petitioner no.1 and AR of the petitioner no.3 through video conferencing.

versus

STATE NCT OF DELHI & ANR.

..... Respondents

Through: Mr Hemant Mehla, APP for the State with Insp. Awadhesh Kumar Singh, Police Station EOW.
Mr Hardeep Sachdeva, Mr Kamal Shanker, Ms Priyamvada Shenoy, Mr Pradyumne Sharma, Ms Swati Sharma, Mr Maaz Ahmed and Mr Arjun Narnag, Advocates for R-2.

**CORAM:
HON'BLE MR. JUSTICE VIKAS MAHAJAN**

ORDER
19.12.2023

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CRL.M.A. 34936/2023

1. Allowed, subject to all just exceptions.



CRL.M.C. 9342/2023

2. The present petition has been filed under Section 482 CrPC seeking quashing of FIR No.0112/2020 under Sections 420/406/120B registered at Police Station Economic Offences Wing and all consequential proceedings emanating therefrom on the ground that the parties have arrived at a settlement.

3. Issue notice. The learned APP for the State accepts notice. He submits that since the parties have arrived at a settlement, the State has no objection in case the FIR in question is quashed. However, he urges that since in the present case criminal law was put into motion and lot of time, resources and efforts of the investigating agency has been spent, therefore, the petitioners should be put to certain conditions.

4. The petitioner no.1 is present in the Court, whereas, the petitioner no.2 has joined through video conferencing. Petitioner no.1 also represents the petitioner no.3. The authorised representative of the respondent no.2 has also joined through video conferencing. All the parties have been identified by their respective counsel and by the Investigating Officer Insp. Awadhesh Kumar Singh, Police Station EOW.

5. The brief facts of the case as per the prosecution version are that the respondent no.2 had lent/invested money to the tune of Rs.190 cores in the subsidiary of the petitioner no.3 in the year 2015 for the purposes of a project. Some disputes arose between the parties which gave rise to the litigation between them. The said dispute also led to the registration of the aforesaid FIR.

6. During the pendency of the proceedings, the parties have arrived at a settlement, terms whereof were reduced in writing in the form of Settlement



Agreement dated 15.12.2023, which is annexed as Annexure P-4 to the present petition.

7. It is recorded in the settlement that the parties will withdraw all the litigations filed against each other.

8. It is also a term of the settlement that the respondents will cooperate with the petitioners in quashing of the present FIR.

9. It has also been agreed between the parties that the petitioner shall pay a total amount of Rs.355 crores (Rupees Three Hundred and Fifty Five Crores) to the respondent no.2, out of which an amount of Rs.10 crores (Rupees Ten Crores) have already been paid, the receipt of which authorized representative of the respondent no. 2 acknowledges. The balance amount of Rs.345 crores (Indian Rupees Three Hundred and Forty Five Crores) is to be paid in the manner stated in para 1.3 of the aforesaid agreement.

10. The present petition is supported by the affidavit of the authorised representative of the complainant/respondent no.2 wherein it has been stated that the respondent no.2 has no objection in case the present FIR is quashed.

11. The attention of the Court is also drawn to the letter written by the authorised representative of the complainant/respondent no.2 to the IO stating that the matter has been settled between the parties and the respondent no.2 does not wish to pursue the abovementioned FIR.

12. On a query put by the Court, the authorized representative of the respondent no.2, states that he has no objection in case the FIR is quashed.

13. At this juncture, it may be apt to advert to the legal position as regards the quashing of FIR premised on a settlement or where the conviction of the accused is a distant possibility.

14. In *Parbatbhai Aahir vs. State of Gujarat* (2017) 9 SCC 641, the



Supreme Court laid down as under:-

“...16.7. As distinguished from serious offences, there may be criminal cases which have an overwhelming or predominant element of a civil dispute. They stand on a distinct footing insofar as the exercise of the inherent power to quash is concerned.

16.8. Criminal cases involving offences which arise from commercial, financial, mercantile, partnership or similar transactions with an essentially civil flavour may in appropriate situations fall for quashing where parties have settled the dispute.

16.9. In such a case, the High Court may quash the criminal proceeding if in view of the compromise between the disputants, the possibility of a conviction is remote and the continuation of a criminal proceeding would cause oppression and prejudice; and”...

15. In view of the fact that the parties have arrived at a settlement, no useful purpose will be served in continuing the proceedings, rather the same would create further acrimony between them.

16. Further, in view of the settlement between the parties, the ultimate chances of conviction in the case are also bleak, therefore, continuation of criminal proceedings will be an exercise in futility.

17. It is, thus, in the interest of justice that the present FIR and all the other proceedings emanating therefrom be quashed.

18. In the present case, the State machinery has been put into motion and considerable time and resources of the investigating agency have been spent in the investigation of the matter and further the judicial time has also been wasted, it is deemed appropriate to impose cost of Rs.2 lakhs on the petitioners. Accordingly, the petitioners are directed to deposit cost of Rs.2 lakhs with the Delhi State Legal Services Authority and the said amount should be utilized towards counselling / psychological support to be



provided to POCSO victims requiring such assistance.

19. Consequently, the petition is allowed and FIR No.0112/2020 under Sections 420/406/120B registered at Police Station Economic Offences Wing alongwith all other proceedings emanating therefrom, is quashed subject to the petitioners depositing a cost of Rs.2 lacs as aforesaid, within a period of three weeks from today.

20. The petition stands disposed of in the above terms.

21. Order be uploaded on the website of this court.

DECEMBER 19, 2023
MK

VIKAS MAHAJAN, J