



2026:DHC:7255



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* IN THE HIGH COURT OF DELHI AT NEW DELHI

Date of Decision: 25th August, 2026

CNR No. DLHC010344552026

+ CRL.M.C. 5496/2026

MR TARUN KAPOOR & ANR.

.....Petitioner

Through: Ms. Ranjana Roy Gawai, Ms. Vasudha
Sen, Mr. Vineet Wadhwa and Ms. K.
Hema, Advocates

versus

STATE OF NCT OF DELHI & ANR.

.....Respondents

Through: Ms. Priyanka Dalal, APP for State/R-1
with SI Mukesh Chauhan, PS EOW
Mr. Varun Kumar, Advocate for R-2
with Mr. Anoop Verma, Authorized
Representative of R-2

CORAM:**HON'BLE MR. JUSTICE MANOJ JAIN****J U D G M E N T (oral)****CRL.M.A. 26328/2026**

1. Petitioners seek early hearing of the matter simply for the reason that in the interregnum, notices under Section 41A Cr.P.C. have been issued by the investigating agency despite knowing fully well that the matter has been amicably settled between the parties. Learned counsel for petitioners submits that FIR in question is of the year 2022 and is still at the investigational stage.
2. Learned counsel for respondent No. 2/complainant is also present.
3. Learned Addl. P.P. for the State/R-1 is having the requisite assistance as the concerned official from EOW is also present with the case file.



4. Heard.
5. With the consent of both the parties, the date is preponed and the matter is taken up today itself.
6. Next fixed date stands cancelled.
7. Aforesaid application stands disposed of accordingly.

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8. Petitioners seek quashing of FIR No. 0031/2022, registered at Police Station *Economic Offences Wing*, for commission of offences under Sections 409/420/120-B IPC, along with all consequential proceedings arising therefrom, for the reason that there is amicable settlement between the parties.
9. Aforesaid FIR was registered on the basis of complaint lodged by *M/s Tata Financial Services Ltd.* through its Manager. It is against Mr. Tarun Kapoor, his wife Ms. Pawan Kapoor and Mr. B.L. Passi for cheating and criminal misappropriation of funds. Mr. Tarun Kapoor is stated to be proprietor of *M/s Sterling Motor Company* whereas his wife is stated to be proprietor of *M/s Automobile Sterling*. Mr. B.L. Passi was guarantor and was also father of Ms. Pawan Kapoor.
10. The petitioners had approached complainant claiming that they were authorized dealers of reputed car manufacturers and required facilities for the purpose of “*inventory funding/channel financing*” to enable them to purchase inventory from car manufacturers.
11. The credit facility was granted to them but according to complainant, intention was to cheat them and the money was siphoned off by them and it was in the aforesaid factual backdrop that FIR was got registered in the year 2022.
12. Quashing, as already noticed above, is being sought for the reason that



the matter has been amicably settled.

13. Copy of *Settlement Agreement* dated 19.06.2026 has been placed on record.

14. Mr. B.L. Passi, one of the alleged accused, had died even prior to the registration of FIR as his date of death is 12.05.2021 which has also been confirmed by learned Addl. P.P. for State.

15. As per settlement terms, complainant company has already received the entire outstanding amount, the details of which are found mentioned in Paras G & H of the *Settlement Agreement*. During course of the arguments, unredacted copy of the aforesaid Agreement has been shown which is directed to be retained on record.

16. Learned counsel for respondent No. 2/complainant is present with Mr. Anoop Verma, Authorized Representative who had also signed the *Settlement Agreement* on behalf of the complainant company in terms of the *Power of Attorney* issued to him. During course of consideration, he reiterated the terms of settlement and submitted that matter has been amicably settled and since the outstanding amount has already been duly received by the complainant company, they are no longer interested in pursuing with the present FIR and would have no objection to the quashing of FIR. It is also submitted that aforesaid settlement is without any coercion and influence from any corner whatsoever.

17. His comprehensive affidavit in this regard is already on record.

18. In view of the settlement arrived at between the parties, continuing with criminal proceedings would serve no useful purpose. In any case, even the complainant does not wish to press any charges against the petitioner.

19. Accordingly, exercising inherent powers vested in this Court under



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Section 528 of the BNSS, it is deemed appropriate to quash the instant FIR.

20. Consequently, to secure the ends of justice, FIR No. 0031/2022, registered at Police Station Economic Offences Wing, for commission of offences under Sections 409/420/120-B IPC, along with all consequential proceedings arising therefrom, is quashed subject to petitioners' depositing a total cost of Rs. 25,000/- with *Delhi High Court Legal Services Committee* within four weeks from today.

21. Original affidavits of the parties, copies of which have been filed with the present petition and proof of deposit of cost, shall be submitted before the concerned SHO/IO within further two weeks so that these become part of Record.

22. The petition stands disposed of in aforesaid terms.

(MANOJ JAIN)
JUDGE

AUGUST 25, 2026/dr/sy