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

\+ W.P.(CRL) 3060/2017

KARAN MOTORS PRIVATE LTD & ORS ..... Petitioners
Through: Mr.Samrat Nigam, Advocate with petitioners in person

versus

THE STATE GOVT OF NCT OF DELHI & ANR ..... Respondents
Through: Ms.Richa Kapoor, ASC for the State with Mr.Ashish Negi, Advocate with Inspector Jitender Kumar DIU/West
Mr.Vinod Kumar, Advocate for R-2 with R-2 in person

CORAM:
HON'BLE MS. JUSTICE PRATIBHA RANI

<u>O R D E R</u>
% **24.11.2017**

1. The instant writ petition has been filed by the petitioners under Article 226 of the Constitution of India read with Section 482 CrPC praying for quashing of FIR No.255/2016 under Sections 420/406/506/120-B IPC, PS Maya Puri and the consequential proceedings arising therefrom, on the basis of settlement arrived at between the parties.

2. Brief stating, the FIR No.255/2016 was got registered by respondent No.2/complainant, who is proprietor of M/s Krishna Enterprises against the petitioner Nos.2 and 3, namely, Harish Chadha and Karan Chadha, who are directors of M/s Karan Motors Pvt. Ltd., petitioner No.1 for committing breach of trust and cheating him for a sum of about ₹2 Crores.

3. Along with the petition the petitioners have also placed on record settlement agreement dated 21st October, 2017 whereby parties have settled all their disputes.

4. Learned counsel for the petitioners submits that in the instant case, earlier vide MOU dated 24th December, 2012 (copy of which has also been placed on record as Annexure-P1) the parties arrived at an amicable settlement as per which a sum of ₹2,09,12,512/- was total outstanding dues. In terms of settlement dated 24th December, 2012, the petitioners paid ₹80,45,728/- to the respondent No.2 but failed to make further payments due to financial constraints. Since the petitioners failed to make the payment of balance settled amount, the respondent No.2 got the FIR in question registered against the petitioners.

5. During the pendency of the instant FIR, the parties arrived at an amicable settlement vide Settlement Agreement dated 21st October, 2017 vide which the petitioners agreed to pay ₹50,00,000/- (Rupees Fifty Lakhs) to respondent No.2 towards full and final settlement and respondent No.2 agreed to forego a sum of ₹78,66,784/- including interest and other charges.

6. Learned counsel for the petitioners submits that out of the total settled amount of ₹50,00,000/-, the petitioners have already paid a sum of ₹10,00,000/- (Rupees ten lakhs). Today learned counsel for the petitioner has handed over a demand draft dated 22nd November, 2017 for the balance settled amount of ₹40,00,000/- (Rupees forty lakhs) which the respondent No.2 has received.

7. Learned counsel for the petitioners submits that since the matter in dispute has been amicably settled, no purpose would be served in prosecuting the petitioners, therefore, the FIR may be quashed.

8. Respondent No.2/complainant also affirms that he has settled the matter with the petitioners vide Settlement Agreement dated 21st October, 2017. He also submits that today he has received ₹40,00,000/- by way of demand draft from the petitioners and that he has no objection if the FIR in question and all proceedings emanating therefrom is quashed.

9. On behalf of the State, learned APP submits that currently the trend emerging is to initiate criminal proceedings to pressurize the other party to make the payment/settle the dispute in order to avoid arrest and prosecution. Thus, the complainant party is able to get the recovery effected without filing any civil suit or paying any court fee and in fact execution takes place on a non-existent decree so some cost must be imposed on the parties for wasting the precious time of the Court and using the State machinery virtually as a recovery agency.

10. Learned counsel for the petitioners as well as respondent No.2 submits that they are ready to contribute the amount, considered reasonable by the Court, for the purpose of charity and benefit of that strata of society needing such help.

11. In view of the legal position laid down in ***Gian Singh v State of Punjab & Anr. 2012 (9) SCALE 257*** and amicable settlement arrived at between the parties, I am of the considered view that no useful purpose would be served by continuing the criminal proceedings against the petitioners, which will only be an exercise in futile and wastage of precious time of the Court. However, in the facts and circumstances of the case, it is desirable that the parties must be burdened with cost.

12. Accordingly, the petition is allowed and FIR No.255/2016 under Sections 420/406/506/120-B IPC, PS Maya Puri, Delhi and all the

proceedings arising therefrom are hereby quashed. The parties shall be bound by the terms and conditions of the settlement agreement dated 21st October, 2017.

13. Petitioners as well as respondent No.2 are directed to deposit a cost of Rs.75,000/- each (totalling Rs.1,50,000/-) with the website bharatkeveer.gov.in within four weeks from today and proof thereof shall be placed on record.

14. Order dasti.

PRATIBHA RANI, J.

NOVEMBER 24, 2017
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