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

\+ CRL.M.C. 4899/2023

ANIL LAROIYA ..... Petitioner

Through: Mr. Shadman Ahmed Siddiqui, Mr. Rahul Gupta, Mr. Kartik Pandey and Ms. Nitika Sain, Advs.

versus

STATE OF NCT OF DELHI & ANR. ..... Respondents

Through: Mr. Ritesh Kumar Bahri, APP for State with Insp. Anand Pratap Singh, PS. EOW, Delhi.
Mr. Sunil Bharti, Chief Manager, PNB, Tilak Nagar.
Mr. Santosh Kumar Rout, Adv. For R-2/PNB.

CORAM:
HON'BLE MR. JUSTICE VIKAS MAHAJAN

<u>O R D E R</u>

% **15.05.2024**

1. The present petition has been filed under Section 482 CrPC seeking quashing of the FIR No.700/2006 under Sections 420/467/468/471/120B IPC registered at Police Station Hari Nagar on the ground that the dues of the bank have already been cleared and the respondent no.2 has issued “No Dues Certificate” dated 05.03.2014.

2. The allegations in the FIR are that the petitioner along with the other Directors of Company i.e., M/s Twinkle Cereals Pvt. Ltd. had availed a letter credit facility of Rs.2 crores against their personal guarantee and collateral security from the respondent bank namely, Oriental Bank of Commerce (OBC) now Punjab National Bank (PNB), Janakpuri, New Delhi.

3. Subsequently, there was a default in payment of loan which led to the

filing of recovery proceedings by the said bank before the Debt Recovery Tribunal. The default on part of the company, as well as, the Directors also led to the registration of aforesaid FIR.

4. The learned counsel for the petitioner submits that during the pendency of the proceedings before the DRT in the RC No.193/2012 titled as ***"Oriental Bank of Commerce vs. M/s Twinkle Cereals Pvt. Ltd. & Ors,"***, a settlement was arrived at between the bank and the borrowers/guarantors wherein an amount of Rs. 50 lacs was paid and the Recovery Certificate stood satisfied.

5. In support of this contention, the attention of the Court has been drawn to the order dated 27.03.2014 passed by the Recovery Officer-II, Debts Recovery Tribunal-II, Delhi, which is annexed as Annexure A-4 to the present petition.

6. The learned counsel submits that "No Dues Certificate" issued by the Oriental Bank of Commerce is also annexed as Annexure A-5 to the present petition.

7. For the purpose of verification, notice was issued to the Punjab National Bank, with which the erstwhile Oriental Bank of Commerce had merged. Mr. Sunil Bharti, the Branch Head/Chief Manager, PNB, Tilak Nagar Branch, is present in Court and submits that the bank system reveals that the loan account in the name of M/s Twinkle Cereals Pvt. Ltd. has been closed and there are no dues of the bank against the said company.

8. The learned APP for the State, on instructions from the I.O, who is present in Court states that though the charge sheet under Section 173 CrPC has been filed but the charges have not been framed till date.

9. Considering the fact that the settlement was arrived at between the

borrower company and its directors with the Oriental Bank of Commerce which is evident from the order of the DRT and further regard being had to the statement of the Branch Head of Tilak Nagar Branch of Punjab National Bank to the effect that there are no dues against the said company, it appears to be a fit case to exercise the inherent powers under Section 482 CrPC as the case is of a commercial nature.

10. At this stage, apt would it be to refer to the observations of the Supreme Court in ***Gian Singh v. State of Punjab, (2012) 10 SCC 303: (SCC p. 340, para 58)***

> *"58. Where the High Court quashes a criminal proceeding having regard to the fact that the dispute between the offender and the victim has been settled although the offences are not compoundable, it does so as in its opinion, continuation of criminal proceedings will be an exercise in futility and justice in the case demands that the dispute between the parties is put to an end and peace is restored; securing the ends of justice being the ultimate guiding factor."*

11. 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"...

(emphasis supplied)

12. In view of the settlement between the parties, the ultimate chances of conviction in the case are bleak, therefore, continuation of criminal proceedings will not serve any useful purpose and it will be an exercise in futility.

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

14. Consequently, the petition is allowed and the FIR No.700/2006 under Sections 420/467/468/471/120B IPC registered at Police Station Hari Nagar alongwith all other proceedings emanating therefrom, is quashed.

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

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

VIKAS MAHAJAN, J

MAY 15, 2024/dss