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

\+ TEST.CAS. 74/2019

KIRAN ABNASHI CHAWLA .....Petitioner

Through: Mr. Abhishek Kumar Rao, Mr. Shailesh Suman, Advocates

versus

STATE & ORS ......Respondents

Through: Mr Abhimanyu Mahajan, Mr Mayank Joshi, Advocates for R2

CORAM:
HON'BLE MR. JUSTICE SUBRAMONIUM PRASAD

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

% **20.12.2024**

<u>I.A. 48991/2024</u>

1. This application has been filed by the Petitioner seeking direction to the Respondent Nos. 2A and 2B to comply with Order dated 01.07.2024, passed by this Court, whereby this Court has directed that the parties shall remain bound by the terms of the Settlement dated 03.05.2024 and permit Respondent Nos. 2A and 2B to redeem Mutual Funds in terms of the Settlement dated 03.05.2024.

2. Material on record discloses that TEST.CAS. 74/2019 & TEST.CAS. 78/2019 were filed for appointing the Petitioners herein as administrators for the unadministered portion of the estate of Late Smt. Ram Pairi Chawla. It is stated that Late Smt. Ram Pairi Chawla left three heirs namely, Mr.H.P.S. Chawla, Dr.N.P.S. Chawla and Mrs.Nirmal Chawla Daniere. It is stated that Mr.H.P.S. Chawla has passed away and his wife - Mrs. Marguirite La Susa

Chawla, has been arrayed as a Respondent in both the Petitions. In the present Petition, the Petitioner also claims to be a legal heir of Mr.H.P.S. Chawla. It is stated that during the pendency of the Petitions, a settlement was arrived at between Mrs.Marguirite La Susa Chawla and Ms.Kiran Abnashi Chawla, the Petitioner herein.

3. On 13.01.2020 a consent Order was passed in both the Petitions. The terms consented upon reads as under:

> "*(a) The only unadministered portion of the estate of the deceased is a farmhouse at Village Jaunapur, Tehsil Mehrauli, South-West Delhi.*
>
> *(b) Parties agree that the said property is required to be disposed of, and the proceeds distributed in the share of 1/3rd each to the heirs of Mr. H.P.S. Chawla, the heirs of Dr.N.P.S. Chawla, and to Ms. Nirmal Chawla Daniere, after meeting expenses.*
>
> *(c) All parties may bring proposals for sale of the property, which can be exchanged between themselves, and a consensus can be arrived at in this regard.*
>
> *(d) It is agreed that, in the meanwhile, Mrs. Elizabeth Chawla who has been administering the said property, may continue to do so, in the sense that she may make an arrangement for security and maintenance of the property, until disposal thereof."*

4. Vide Order dated 01.12.2022, the parties were referred to the Delhi High Court Mediation Centre to explore the possibility of an amicable settlement. A comprehensive settlement has been arrived at between the parties on 03.05.2024.

5. *Vide* Order dated 01.07.2024, I.A. 30964/2024 filed by the Petitioner

in TEST.CAS. 78/2019 was disposed of by this Court by holding as under:

> "*1. This application has been filed by the petitioner praying for the This is a digitally signed order. following reliefs:*
>
> > *"a) direct the concerned person/Branch Head, Syndicate Bank, Chanakyapuri Branch to make the bank account being 52410191961 with Syndicate Bank, Chanakyapuri Branch in the name of "Dr. N P S Chawla - Estate of Smt. Ram Piari Chawla" operational and appoint the Petitioner as the signatory to operate the said bank account;*
> >
> > *b) permit the Petitioner to redeem the Mutual Funds in terms of the Settlement Agreement dated 03.05.2024; c) pass any other or further order(s) which may be just, fair and equitable. "*
>
> *2. The learned counsels for the respondents submit that they have no objection to the prayers being granted, subject to the condition that the petitioner is made bound by the terms of the settlement agreement dated 03.05.2024, which had been arrived at before the Delhi High Court Mediation and Conciliation Centre, where they were referred by an order dated 01.12.2022 passed in the present petition as also in TEST CAS. No.74 of 2019. The settlement agreement also governs both the cases.*
>
> *3. In view of the above, the prayers made in the application are granted. The parties shall remain bound by the terms of the Settlement Agreement dated 03.05.2024. The parties shall also continue with their mediation proceedings.*
>
> *4. The application is disposed of."*

6. It is stated that some issues have arisen regarding redemption of

mutual funds in terms of the settlement dated 03.05.2024, on the basis of which Order dated 01.07.2024 was passed.

7. On 19.12.2024, the learned Counsels for the parties agreed to make an endeavour to come to a settlement. Today, the learned Counsels for the Parties state that the present application can be disposed of on the following terms:

> "*1. The Parties note that the RPC Estate Account has received an amount of Rs. 33,86,587.46/- from the redemption of mutual funds in terms of Clause (viii) of the Settlement Agreement dated 03.05.2024 ("Settlement Agreement").*
>
> *2. Mrs. Elizabeth Chawla has provided Ms. Kiran Abnashi Chawla the following information and documents:*
>
> > *a) Bank Account Statement indicating the net proceeds of mutual funds credited to the RPC Estate Account.*
> >
> > *b) A statement issued by the Mutual Fund indicating the units redeemed and the redemption amount credited.*
> >
> > *c) Capital Gain Statement for the period 01.04.2024 to 19.12.2024 issued by KFINTECH.*
>
> *3. In Clauses (x) and (xi) of the Settlement Agreement, it had been agreed that Mrs. Elizabeth Chawla shall retain the tax amount as well as the amounts towards expenses mentioned in clause (ix) of the Settlement Agreement in the RPC Estate Account and then distribute 50% of the balance amount to Ms. Kiran Abnashi Chawla and the balance 50% of Mrs. Marguerite La Susa Chawla shall be deposited in the*

Hon'ble High Court of Delhi.

4. It has now been agreed that the 50% of the amount received from the redemption of the mutual funds i.e. Rs. 16,93,293.73/ with pro rata bank interest accrued thereon shall be transferred by Mrs. Elizabeth Chawla from the RPC Estate Account to Ms. Kiran Abnashi Chawla. The amount shall be transferred to Ms. Kiran Abnashi Chawla on or before 15.01.2025.

5. Ms. Kiran Abnashi Chawla shall pay the tax on capital gain in respect of the amount transferred to her out of the redemption amount under her PAN number. Ms. Kiran Abnashi Chawla shall inform Mrs. Elizabeth Chawla of the amount of capital gain tax deposited and shall provide proof of such deposit along with the calculation for the same to Mrs. Elizabeth Chawla within a period of 15 days of the deposit thereof.

6. The balance 50% amount of Mrs. Marguerite La Susa Chawla le. Rs. 16,93,293.73/ shall be deposited in the Hon'ble High Court of Delhi in terms of the Settlement Agreement on or before 20.01.2025.

7. Mrs. Elizabeth Chawla has represented that to the best of her knowledge as on date there are no pending demands or proceedings with respect to the mutual funds against the RPC Estate. Ms. Kiran Abnashi Chawla shall be under no liability in case the representation made by Mrs. Elizabeth Chawla turns out to be otherwise.

8. Tax liability if any along with the charges associated with the Income Tax case if any that may arise in future with respect to the mutual funds redemption, shall be the responsibility of Ms. Kiran Abnashi Chawla and Mrs. Marguerite La Susa Chawla in proportion to the respective amounts received by them *and they shall keep Mrs. Elizabeth Chawla and Estate of RPC indemnified against such tax liability.*

9. The Parties have agreed that Clauses (viii) to (xii) of the Settlement Agreement are modified to the above limited extent. The Parties shall be bound by the remaining terms of the Settlement Agreement.

10. The above agreement between the Parties is taken on record and Mrs. Elizabeth Chawla is permitted to deposit 50% amount of Mrs. Marguerite La Susa Chawla i.e. Rs. 16,93,293.73/- with the Registry of this Court"

8. In terms of the abovementioned consented terms, the present application is disposed of.

SUBRAMONIUM PRASAD, J

DECEMBER 20, 2024
Rahul