



**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

CRM-M-29994-2020 (O&M)
Date of decision: 06.02.2025

Oyo Hotels and Homes Pvt. Ltd and others ...Petitioners

Versus

State of Punjab and others ...Respondents

CORAM: HON'BLE MR. JUSTICE KARAMJIT SINGH

Present: Mr. Amandeep Singh Talwar, Advocate for the petitioners.

Mr. J.S. Dhaliwal, AAG, Punjab.

Mr. S.S. Mor, Advocate for respondent No.2.

Complainant/respondent No.2 in person.

KARAMJIT SINGH, J. (ORAL)

CRM-24199-2020

Application is allowed as prayed for.

CRM-36292-2022

Application is allowed as prayed for.

CRM-36293-2022

For the reasons mentioned in the application, the same is allowed.

Documents Annexure R-1 is taken on record.

CRM-M-29994-2020

1. The present petition has been filed by the petitioners under Section 482 Cr.P.C. seeking quashing of FIR No.289 dated 11.09.2020 under Sections 420 and 120-B IPC (Annexure P-1), registered at Police



Station Derabassi.

2. In response to the notice of motion, State counsel appeared on behalf of respondent No.1-State while Mr. S.S. Mor, Advocate appeared on behalf of respondent No.2.

3. Reply by way of affidavit of Gurbakshish Singh, Deputy Superintendent of Police, Derabassi filed on behalf of the State was taken on record.

4. The counsel for the petitioner *inter alia* submits that petitioner No.1 is not impleaded as an accused in the impugned FIR Annexure P-1 and resultantly, the quashing petition filed on behalf of petitioner No.1 was disposed of being not maintainable by the co-ordinate Bench of this Court vide order dated 28.07.2022 passed in CRM-M-14051-2022. It is further submitted that the parties had entered into a management services agreement Annexure P-2 dated 29.06.2019 and the marriage palace of respondent No.2 was taken on lease by petitioner No.1-Company. Subsequently, notice for termination of the management services agreement w.e.f. 31.03.2020 was issued by petitioner No.1, on 16.03.2020. There was no intention on the part of the accused persons to cheat anyone. It is further submitted that there was arbitration clause in the aforesaid agreement dated 29.06.2019 which was invoked by the parties and during arbitration proceedings, matter was compromised vide Annexure R-1. Pursuant to the said settlement, first installment of Rs.70 lacs was paid by petitioner No.1 to respondent No.2. Today, demand draft of Rs.63 lacs is also handed over to the complainant/respondent No.2 who has appeared in person. The counsel for the petitioner clarified that aforesaid payment of Rs.63 lacs is after

making deduction of TDS. It is further submitted that otherwise also the entire dispute is primarily of civil nature, as the same was involving breach of contract. It is further submitted that in the given circumstances, the impugned FIR Annexure P-1 deserves to be quashed against petitioners No.2 to 8.

5. The counsel appearing on behalf of the State contends that the accused persons failed to comply with the terms and conditions of management services agreement Annexure P-2 and thus, they committed cheating against the complainant and for that purpose they also hatched conspiracy.

6. The counsel appearing on behalf of respondent No.2 submits that now the matter has been settled and in compliance of compromise Annexure R-1, petitioner No.1 had made part payment of Rs.70 lacs to the complainant and the payment of balance amount is made today itself by handing over demand draft of Rs.63 lacs to the complainant on behalf of petitioner No.1. He further stated that the payment of said Rs.63 lac is made by petitioner No.1 after deducting TDS. The counsel for respondent No.2 further submits that the petitioner is having no objection if the FIR Annexure P-1 is quashed.

7. I have considered the submissions made by counsel for the parties.

8. Admittedly, petitioner No.1 and respondent No.2 entered into an agreement Annexure P-2. As per petitioner No.1, the said agreement was later on terminated in accordance with the contract terms. However, respondent No.2 has alleged that it is a case of cheating. But to hold a

person guilty of cheating it is necessary to show that he had a fraudulent or dishonest intention at the time of making the promise as was observed by Hon'ble Supreme Court in ***Inder Mohan Goswami and Another Vs. State of Uttaranchal and others (2007) 12 SCC 1***. In the instant case, respondent No.2 has *prima facie* failed to establish that there was any fraudulent or malafide intention on the part of accused persons when agreement Annexure P-2 was executed between the parties. It being so, mere failure to keep up promise subsequently, cannot be presumed as an act leading to cheating. If the petitioners have committed breach of agreement, it was open to respondent No.2 to seek redressal in a competent Court or forum to recover damages, if permissible in law in case, he had sustained any loss. In this context, reference is made to the decision of Hon'ble Supreme Court in ***S.W. Palanitkar and others Vs. State of Bihar and another (2002) 1 SCC 241***.

9. In the given circumstances, even if, all the averments made in the FIR are taken to be correct, the case of the prosecution under Sections 420 and 120-B IPC is not made out against the petitioners.

10. Further, it is evident that now the parties have settled their dispute in an amicable manner. The entire settled amount is already paid by petitioner No.1 to respondent No.2.

11. In light of the above discussion, the prosecution of the petitioners No.2 to 8 on the basis of FIR Annexure P-1 would amount to abuse of process of Court and that of law as well.

12. For the foregoing reasons, the present petition is hereby allowed qua petitioners No.2 to 8 and FIR No.289 dated 11.09.2020 under



Sections 420 and 120-B IPC (Annexure P-1), registered at Police Station Derabassi and all the consequential proceedings arising therefrom are quashed qua petitioners No.2 to 8. However, the present petition is hereby dismissed qua petitioner No.1 having been rendered infructuous.

06.02.2025
Yogesh

(KARAMJIT SINGH)
JUDGE

Whether speaking/reasoned:-	Yes/No
Whether reportable:-	Yes/No