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

\+ W.P.(CRL) 1965/2023

KAMAL KUMAR & ORS. .....Petitioners

Through: Mr. Mayank Mehandro, Ms. Charu Tandon, Mr. Avinash Bhalla, Mr. Nikhil and Mr. Raghav Tandon, Advocates.

versus

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

Through: Mr. Sanjay Lao, Standing Counsel for the State.
Insp. Kuldeep Singh, PS: Seelampur.
Mr. Panna Lal Sharma and Mr. Izhar Ahmed, Advocates for R-2 with R-2 in person.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

O R D E R

% 30.07.2025

1. The present petition under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023[1] (earlier Section 482 of the Code of Criminal Procedure, 1973[2]) seeks quashing of FIR No. 106/2023, registered at P.S. Seelampur under Sections 420/34 of the Indian Penal Code, 1860[3], and all proceedings emanating therefrom. This request is made in light of the settlement between the parties, as evidenced by the Settlement Agreement

[1] "BNSS"
[2] "Cr.P.C."
[3] "IPC"

dated 3rd July, 2025. Pertinently, the settlement involved Petitioners No. 1 to 3, Respondent No. 2, and the entity 'Louis Dreyfus Company[4]', where Petitioners No. 1 to 3 were employed. Taking note of this, the Court, by order dated 18th July, 2025, directed the aforesaid Petitioners to implead the Company and file an amended memo of parties. Pursuant thereto, the Company has now been impleaded as Petitioner No. 4 and the amended memo of parties has been placed on record.

2. Briefly stated, the case of the Prosecution is that Respondent No. 2 (the Complainant), a wholesaler of ghee and oil, had ongoing business dealings with Petitioner No. 4, Louis Dreyfus Company, where Petitioners No. 1 to 3 were employed. Due to certain disputes, the Complainant decided to discontinue his business relationship with the company. On 8th October 2022, Petitioners No. 2 and 3 visited the Complainant's shop, returned the bank guarantee earlier submitted by Respondent No. 2 to the Company, and further assured him that an outstanding incentive amount of ₹17,00,000/- would also be cleared. However, later that month, the Complainant allegedly discovered that false invoices amounting to ₹23,44,265/- had been raised against his firm, against which no goods were delivered. Shortly thereafter, he also came to know that a sum of ₹15,00,000/- had been fraudulently withdrawn from his bank account by the Petitioners using the bank guarantee. He further alleged that the bank guarantee returned by the Petitioners was forged. Based on this complaint, the subject FIR was registered. Pursuant thereto, the Investigating Agency issued a letter to the concerned bank under Section 106 of the BNSS, requesting the seizure of the bank account of Petitioner No. 4. In compliance with the said request,

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[4] "Company"

the said amount was frozen by the bank.

3. In addition, owing to the disputes between the parties, Respondent No. 2 lodged another FIR against Petitioners No. 2 and 3. Parallelly, the Petitioners filed police complaints, complaint cases, and proceedings under the Negotiable Instruments Act, 1881, against Respondent No. 2. Petitioner No. 4 (the Company) also initiated arbitration proceedings against Respondent No. 2, in which both parties have filed their respective claims and counter-claims.

4. The parties state that they have now amicably resolved their disputes, pursuant to which Respondent No. 2 has decided not to pursue the subject FIR as well as all other legal proceedings pending before various courts. In furtherance of this settlement, a Settlement Agreement dated 3rd July, 2025 has been executed between the Petitioners and Respondent No. 2 at the Delhi High Court Mediation and Conciliation Centre.

5. A copy of the said Agreement has been placed on record and duly perused by the Court. As per the terms of the Agreement, the parties have mutually resolved all their disputes and differences. Respondent No. 2 has expressly stated that he has no objection to the quashing of the subject FIR and all other proceedings pending between the parties. The Petitioners have also agreed to withdraw all the police complaints, complainant cases, as well as cases under the NI Act, filed against Respondent No. 2. The parties have further agreed to withdraw their claims and counter-claims in the ongoing arbitration proceedings.

6. In view of the settlement, the Complainant, who has appeared before the Court and duly identified by the Investigating Officer, has unequivocally stated that he does not wish to pursue the proceedings emanating from the

impugned FIR. He confirms that his decision to settle the matter is voluntary and made without any undue influence or coercion. He further affirms that he has neither received any monetary compensation as part of the settlement nor does he intend to claim any. In light of the amicable resolution between the parties, the Petitioners seek quashing of the subject FIR and all proceedings arising therefrom. Further, the Petitioners seek setting aside of the freezing of INR 15,00,000/- in the bank account of Petitioner No. 4.

7. The Court has considered the aforenoted submissions. It is pertinent to note that the offence under Sections 420 of IPC is compoundable, *albeit* with the permission of the Court, and only at the instance of the aggrieved parties. However, that does not debar the High Court from resorting to its inherent power under Section 528 of BNSS (formerly, Section 482 of Cr.P.C.) and pass an appropriate order so as to secure the ends of justice.

8. Having regard to the nature of the dispute and the fact that the aggrieved parties have amicably settled the matter, this Court is of the view that continuation of the criminal proceedings would serve no useful purpose. In the circumstances, this is a fit case for exercise of jurisdiction under Section 528 of BNSS, as the continuance of proceedings would amount to an abuse of the process of law and impede the ends of justice.

9. However, considering the fact that state machinery was put to use, the ends of justice will be served if the Petitioners are put to cost. Accordingly, FIR No. 106/2023, P.S. Seelampur and all the proceedings emanating therefrom are quashed, subject to a payment of INR 5,000/- each by the Petitioners, to be deposited with the Delhi Police Welfare Fund within six weeks from today. Proof of payment to be furnished to the concerned IO.

10. Further, the seizure of INR 15,00,000/- in the account of Petitioner

No. 4 is also set aside. An intimation to this effect be sent by the Investigating Officer to the Bank Manager, J.P. Morgan Bank, N.A. Mumbai.

11. The parties shall remain bound by the settlement, and take steps to implement the terms thereof.

12. Accordingly, the petition is disposed of along with pending application(s).

SANJEEV NARULA, J

JULY 30, 2025
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