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

+ CRL.M.C. 4357/2025 & CRL.M.A. 22518/2025

SCHOLAR ALLEY PVT LTD AND ORSPetitioners

Through: Mr. Vishal Sharma, Adv. with the
petitioners in person.

versus

STATE (GOVT OF NCT DELHI) AND ANRRespondents

Through: Mr. Raghuinder Verma, APP for State
with Insp Rakesh Roshan EOW.

Mr. Jujhar Singh, Mr. Bhushan, Mr. Shreyas
Malik, Mr. Sumit Jain, Mr. Kanav Manghani, Mr.
Dhruv Kumar and Ms. Tanu Yadav, Advs. along
with Respondent No. 2 in person.

+ CRL.M.C. 4381/2025 & CRL.M.A. 22385/2025

SCHOLAR ALLEY PVT LTD AND ORSPetitioners

Through: Mr. Vishal Sharma, Adv. with the
petitioners in person.

versus

STATE (GOVT OF NCT DELHI) AND ANRRespondents

Through: Mr. Raghuinder Verma, APP for State
with SI Raju Singh, PS Roop Nagar .

Mr. Jujhar Singh, Mr. Bhushan, Mr. Shreyas
Malik, Mr. Sumit Jain, Mr. Kanav Manghani,
Mr. Dhruv Kumar and Ms. Tanu Yadav Advs.
along with Respondent No. 2 in person.

CORAM:

HON'BLE MR. JUSTICE AJAY DIGPAUL

ORDER

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04.08.2025

1. The present petitions under Section 528 of the Bharatiya Nagarik



Suraksha Sanhita, 2023 (hereinafter “BNSS”) [earlier Section 482 of the Code of Criminal Procedure, 1973 (hereinafter “CrPC”)] have been filed by the petitioners praying for quashing of FIRs.

2. Petition bearing. CrI MC No. 4357/2025 has been filed seeking quashing of the FIR bearing no. 43/2025, dated 27.03.2025, lodged by respondent no. 2, at Police Station – Economic Offences Wing, under Sections 406/420/120B of the Indian Penal Code, 1860 (hereinafter “IPC”).

3. Petition bearing. CrI MC No. 4381/2025 has been filed seeking quashing of the FIR bearing no. 507/2021, dated 31.12.2021, lodged by respondent no. 2, at Police Station – Roop Nagar, Delhi, under Sections 406/420/120B of the IPC.

4. Learned counsel appearing on behalf of the petitioners submitted that both the parties were involved in business agreement vide agreement dated 01.05.2019, where respondent no. 2 agreed to provide several range of products on rent to petitioner no. 1 on rent for running and operating the student. However, certain disputes arose between the parties regarding the non-payment of rent and misuse of the products supplied by respondent no. 2 to the petitioners which led to the registration of the aforesaid FIRs.

5. It is submitted that subsequent to the above, the parties have now entered into a settlement agreement dated 09.06.2025, which is part of both the petitions. As per the terms of the said settlement agreement, the parties have agreed to withdraw all the pending civil and criminal cases (including both the FIRs). For the same, petitioners shall pay an amount of Rs. 14,90,00,000/- to respondent no. 2 as full and final payment of all the claims and disputes existing between them. It is submitted that as of now, a total sum of Rs.6,10,90,000/- is pending, which, as per the terms of the



agreement, was to be paid at the time of quashing of the FIRs. It is thus prayed by the learned counsel appearing on behalf of the parties that the instant FIRs may be quashed on the basis of the compromise.

6. Learned APP appearing on behalf of the State has no objection to the quashing of the FIRs in view of the settlement, however, he submits that heavy costs may be imposed upon the parties since state machinery has been used extensively since the year 2021 and two FIRs have been registered for the same offence between the same parties.

7. Heard learned counsel for the parties and perused the record.

8. The petitioners are present before this Court and have been identified by their counsel and the Investigating Officer, Police Station Economic Offences Wing and Police Station Roop Nagar. Respondent 2 is same in both the petitions and is also present in the Court and has been identified by his counsel and the Investigating Officer.

9. The brief facts of the case are that, the dispute arose pertaining to the commercial contract and dispute of payment arises during Covid-19 period.

10. On Court's query, respondent no. 2 has categorically stated that he has entered into this compromise on his own free will and without any pressure. It is also stated by him that the entire dispute has been amicably settled between the parties.

11. At this juncture, petitioners have handed over a Demand Draft bearing No. 020500 for the balance amount of Rs.6,10,90,000/- dated 31.07.2025 in the name of respondent no.2 today in the Court. The respondent no.2 has verified the particulars of the Demand Draft to his satisfaction and stated them to be correct. The copy of the said Demand Draft is handed over by the



learned counsel appearing on behalf petitioners during the course of the arguments, which is taken on record.

12. Keeping in view the fact that the matter stands amicably been settled between the petitioners and the respondent no. 2 without any pressure, no fruitful purpose would be served by keeping the matter pending. Affidavit of respondent no. 2, stating to the fact that he does not wish to pursue the criminal case/FIRs against the petitioners is also on record.

13. Hence, in light of the judgment of the Hon'ble Supreme Court passed in ***Gian Singh vs. State of Punjab (2012) 10 SCC 303***, this Court is inclined to allow the instant petitions to quash the FIRs.

14. As regards to the imposition of cost, the petitioners and respondent no. 2 have voluntarily agreed to the deposition/payment of costs, as directed by this Court.

15. Accordingly, following directions are passed by this Court:

- a. Keeping in view of the fact that extensive state machinery has been used at the instance of respondent no. 2, the fact that respondent no. 2 lodged two separate FIRs for the same set of events where even though the initial FIR was registered in the year 2021, he again lodged another FIR with the EOW in the year 2025, the submission of the learned APP and the parties voluntarily agreeing to deposit the cost, this Court deems it appropriate to impose costs on both the parties.
- b. FIR bearing no. 43/2025, dated 27.03.2025, lodged by respondent no. 2, at Police Station – Economic Offences Wing, under Sections 406/420/120B of the IPC and FIR bearing no. 507/2021, dated 31.12.2021, lodged by respondent no. 2, at



Police Station – Roop Nagar, Delhi, under Sections 406/420/120B of the IPC and all the consequent proceedings emanating therefrom, are quashed.

- c. It is made clear that the aforesaid FIRs are quashed subject to deposition of proof of payment of costs to the concerned Investigation Officer.
 - d. Petitioner no. 1 is directed to deposit total cost of Rs.50,000/- with the CDCBA Members Welfare Fund and NDBA Members Welfare Fund (Rs.25,000/- to the CDCBA Members Welfare Fund, Account bearing No. 33640110020388 (IFSC Code: UCBA0003364) maintained with the UCO Bank, Rouse Avenue Court Complex, New Delhi and Rs.25,000/- in NDBA Members Welfare fund Account No. 18580110013847, IFSC Code UCBA0001858 (UCO Bank, Patiala House Courts Branch).
 - e. Respondent no. 2 is also directed to deposit total cost of Rs.50,000/- (Rs.25,000/- with the Delhi Police Welfare Society and Rs. 25,000/- with the Delhi State Legal Services Authority and the said amount should be utilized towards counselling / psychological support to be provided to POCSO victims requiring such assistance.
 - f. The aforesaid costs shall be paid by the parties within a period of one week from today.
- 16.** The parties shall be bound down to the conditions specified above.
- 17.** With the above directions, the present petitions are disposed of along with pending application(s).



18. Date already fixed i.e. 09.09.2025, stands cancelled.

AUGUST 4, 2025
Sk/ryp

AJAY DIGPAUL, J