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

\+ CRL.M.C. 5894/2025 & CRL.M.A. 25160/2025

ANSHU AGARWAL .....Petitioner

Through: Mr. K.K Aggarwal, Ms. Gayatri Aggarwal, Ms. Sangeeta Dass, Advocates with Petitioner in person

versus

STATE NCT OF DELHI AND ANR .....Respondents

Through: Mr. Mukesh Kumar, APP for the State with SI Dinesh Kumar, PS DIU/West Delhi
Mr. N.K Bhatnagar, Mr. Arkam Khan, Advocates for R-2 with R-2 in person

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

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

% 08.09.2025

1. The present petition under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023[1] (corresponding to Section 482 of the Code of Criminal Procedure, 1973[2]) seeks quashing of FIR No. 413/2011 dated 10th December, 2011, registered under Sections 103 and 104 of the Trade Marks Act, 1999[3] read with Sections 420 and 120-B of the Indian Penal Code, 1860[4], at P.S. Vikaspuri and all other proceedings emanating therefrom.

2. Briefly stated, the case of the prosecution against the Petitioner,

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[1] "BNSS"
[2] "CrPC"
[3] "TM Act"
[4] "IPC"

Anshu Agarwal, is as follows:

2.1. The complainant, Gulf Oil Corporation Ltd. (formerly Indian Detonators Ltd., later IDL Chemicals Ltd. and IDL Industries Ltd., and renamed Gulf Oil Corporation Ltd. in 2002), through its Authorized Representative(s), lodged a complaint, wherein it was alleged that the Petitioner, in conspiracy with others, was engaged in manufacturing and marketing counterfeit and spurious lubricants and oils under the complainant's registered trademarks such as *GULF, GULF CAR CARE CLUB, GULF XHD, GULF SUPER FLEET, GULF PRIDE 4T, GULF MULTI G*, etc.

2.2. The complainant claims ownership of the above trademarks, duly registered and valid, and asserts that these marks enjoy extensive reputation and goodwill in India and abroad. Gulf Oil has been carrying on business in lubricants, engine oils, industrial oils, and related products for decades, and its trademarks are distinctive and associated exclusively with its products.

2.3. It is alleged that the Petitioner and co-accused, with dishonest intention and in criminal conspiracy, manufactured and marketed spurious products deceptively similar to the complainant's goods. The infringing goods, bearing counterfeit marks and logos, were circulated in the market in the guise of genuine Gulf products. By such acts, the Petitioner and others are alleged to have deceived consumers, caused wrongful loss to the complainant, and obtained wrongful gain for themselves.

2.4. The complaint further avers that the infringing activities were not incidental but deliberate, involving large-scale replication of Gulf's registered trademarks, including the use of containers, packaging, and logos deceptively similar to the originals. Such activities not only constituted infringement and passing off under the Trade Marks Act but also amounted to cheating and criminal conspiracy under the IPC.

2.5. During inquiry, it came to light that the Petitioner and his associates were in possession of materials, instruments, and facilities used for production of such counterfeit goods. The deliberate imitation of Gulf's marks, coupled with their distribution in the market, is alleged to have tarnished the reputation of the complainant while enriching the accused unlawfully.

2.6. Consequently, based on the Complainant's statement, the subject FIR was registered at P.S. Vikaspuri, under Sections 103 and 104 of the TM Act read with Sections 420 and 120-B of IPC.

3. The parties state that they have amicably resolved their disputes and differences, and Respondent No. 2 has voluntarily decided not to pursue the present FIR against the Petitioner. In this regard, and in settlement of the disputes between the parties, a Settlement Agreement dated 4th August, 2025, has been executed between the Petitioner and Respondent No. 2.

4. A copy of the Agreement has been placed on record and perused by the Court. As per its terms, Respondent No. 2 has mutually resolved all disputes and differences with the Petitioner and has agreed to voluntarily give its no objection to the quashing of the subject FIR. In furtherance of the settlement, the Petitioner agreed to pay a total sum of INR 3,50,000/- to Respondent No. 2 as full and final settlement amount.

5. A copy of the Board Resolution dated 2nd September, 2025 in favour of Mr. Pankaj Gupta. The copy is handed over across the board and is taken on record.

6. Mr. Pankaj Gupta, who has joined the proceedings in person,

confirms the settlement as well as the Board Resolution. He further confirms the Settlement Agreement dated 4th August, 2025, under which Respondent No. 2 has received a sum of INR 3,50,000/- in the form of Demand Draft dated 4th August, 2025, bearing No. '013568' drawn on IDBI Bank, towards full and final settlement of all its claims/dues against the Petitioner. In light of the settlement, he states that Respondent No. 2 has no objection to the quashing of the FIR.

7. The Court has considered the aforenoted facts and submissions. While the offence under Section 420 IPC is compoundable, the offences under Sections 103 and 104 of the Trade Marks Act, 1999 read with Section 120B of IPC are non-compoundable. However, it is well settled that in the exercise of its inherent powers under Section 482 CrPC (corresponding to Section 528 BNSS), the Court may, in appropriate cases, quash proceedings in respect of non-compoundable offences if the parties have reached a genuine settlement and no overarching public interest is adversely affected. The Supreme Court in ***Gian Singh v. State of Punjab & Anr.***[5] has held as follows:

> *"11. As discussed above, offence punishable under Section 186/332/353 of the IPC are non-compoundable being of serious nature,* ***however, if the Court feels that continuation of criminal proceedings will be an exercise in futility and justice in this case demands that the dispute between the parties is put to an end and peace is restored, it can order for quashing of the FIR or criminal proceedings as it is the duty of the Court to prevent continuation of unnecessary judicial process.***
> *12. In view of the law discussed above, considering the Settlement arrived at between the parties and the statements of respondent no.1 & 2, I am of the considered opinion that this matter deserves to be given a quietus as continuance of proceedings arising out of the FIR in question would be an an exercise in futility."*

[Emphasis added]

8. Further, in ***Narinder Singh & Ors. v. State of Punjab & Anr.***,[6] the Supreme Court held as follows:

> "*29. **In view of the aforesaid discussion, we sum up and lay down the following principles by which the High Court would be guided in giving adequate treatment to the settlement between the parties and exercising its power under Section 482 of the Code while accepting the settlement and quashing the proceedings or refusing to accept the settlement with direction to continue with the criminal proceedings**:*
> *29.1. Power conferred under Section 482 of the Code is to be distinguished from the power which lies in the Court to compound the offences under Section 320 of the Code. **No doubt, under Section 482 of the Code, the High Court has inherent power to quash the criminal proceedings even in those cases which are not compoundable, where the parties have settled the matter between themselves**. However, this power is to be exercised sparingly and with caution.*
> *29.2. **When the parties have reached the settlement and on that basis petition for quashing the criminal proceedings is filed, the guiding factor in such cases would be to secure:***
> ***(i) ends of justice, or***
> ***(ii) to prevent abuse of the process of any court.***
> ***While exercising the power the High Court is to form an opinion on either of the aforesaid two objectives**.*
> *29.3. Such a power is not to be exercised in those prosecutions which involve heinous and serious offences of mental depravity or offences like murder, rape, dacoity, etc. Such offences are not private in nature and have a serious impact on society. Similarly, for the offences alleged to have been committed under special statute like the Prevention of Corruption Act or the offences committed by public servants while working in that capacity are not to be quashed merely on the basis of compromise between the victim and the offender.*
> *29.4. On the other hand, those criminal cases having overwhelmingly and predominantly civil character, particularly those arising out of commercial transactions or arising out of matrimonial relationship or family disputes should be quashed when the parties have resolved their entire disputes among themselves.*
> *29.5. While exercising its powers, the High Court is to examine as to whether the possibility of conviction is remote and bleak and continuation of criminal cases would put the accused to great oppression and prejudice and extreme injustice would be caused to*

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[5] (2012) 10 SCC 303
[6] (2014) 6 SCC 466

him by not quashing the criminal cases."

[Emphasis Supplied]

9. Although the alleged offnces cannot be treated as strictly '*in personam'*, and they touch upon public concerns rather than being confined to individual grievances, the Court must also account for the practical realities of securing a conviction in the present case. The Supreme Court has consistently held that in cases where the complainant has entered into a voluntary and *bona fide* settlement, and is no longer inclined to support the prosecution, the prospect of securing a conviction becomes exceedingly remote. In such circumstances, continuing the prosecution may not only prove futile, but would also serve no worthwhile public interest.

10. Mr. Pankaj Gupta, the authorized representative on behalf of Respondent No. 2, has appeared before the Court in person and has categorically expressed unwillingness to pursue the matter further and has confirmed the settlement as voluntary and devoid of any coercion. Given this background, the continuation of criminal proceedings would amount to an empty formality, adding to the burden of the justice system and consuming public resources unnecessarily. Having regard to the totality of circumstances, and in view of the legal principles laid down by the Supreme Court, this Court finds the present case to be an appropriate one for exercise of jurisdiction under Section 528 of BNSS (corresponding to Section 482 of the CrPC) to secure the ends of justice.

11. However, considering that the State machinery has been put to motion, ends of justice would be served if the Petitioner is put to cost.

12. Accordingly, the present petition is allowed and FIR No. 413/2011 dated 10th December, 2011, registered under Sections 103 and 104 of TM

Act read with Sections 420 and 120-B of IPC, at P.S. Vikaspuri and all other proceedings emanating therefrom are hereby quashed, subject to payment of a cost of INR 10,000/- by the Petitioner to the Delhi Police Welfare Fund, within a period of four weeks from today.

13. The parties shall remain bound by the terms of settlement.

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

SANJEEV NARULA, J

SEPTEMBER 8, 2025/ab