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

+ **CRL.M.C. 6373/2025**

DIVYESH ASHWINBHAI SUKHADIA & ANR.Petitioners

Through: Mr. Sowjhanya Shankaran and Mr.
Ashish Raghuvanshi, Advocates.

versus

STATE NCT OF DELHI & ANR.Respondents

Through: Mr. Mukesh Kumar, APP with Mr.
Sunil Singh Rawat and Mr. Vineet
Awana, Advocates for the State.
Mr. Apratim Animesh Thakur and
Mr. Shreshth Beniwal, Advocates for
R-2.

CORAM:

HON'BLE MR. JUSTICE SANJEEV NARULA

ORDER

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15.10.2025

1. The present petition under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023¹ (corresponding to Section 482 of the Code of Criminal Procedure, 1973²) seeks quashing of FIR No. 0193/2017 dated 15th November, 2017, registered under Sections 406/420/120B of the Indian Penal Code, 1860³ at P.S. Economic Offences Wing and all consequential proceedings emanating therefrom.

2. Briefly, the case of the prosecution against the Petitioners is that the impugned FIR was registered on the complaint of S.E. Investments Ltd.

¹ "BNSS"

² "CrPC"



(now Paisalo Digital Ltd.), a Non-Banking Finance Company, against M/s Paramount Print Packaging Ltd. and its directors. The Petitioners, who are directors of the accused Company, approached the complainant in 2013 seeking financial assistance of INR 2,03,50,000/-. They induced the complainant by misrepresenting that the company's plant and machineries were unencumbered and free from any lien or charge. On this assurance, the complainant sanctioned the loan, which was secured by hypothecation of two machines. The loan was disbursed and a hypothecation agreement dated 12th September, 2013, was executed. On default of repayment, the complainant sought to enforce its security but discovered that the said machines had already been hypothecated with State Bank of India and SVC Bank and that proceedings under SARFAESI had been initiated by those banks. It is alleged that the accused persons had, from the inception, concealed this encumbrance, thereby cheating the complainant and securing wrongful gain.

3. The parties have now amicably resolved their disputes and Respondent No. 2 has decided not to pursue the impugned FIR. Pursuant to this settlement, a Memorandum of Understanding⁴ 12th January, 2019, was executed between the Petitioners and Respondent No. 2.

4. A copy of the MoU 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 no objection to the quashing of the subject FIR. In furtherance of the settlement, the Petitioners agreed to pay a total sum of INR 1,50,00,000/- to

³ "IPC"

⁴ "MoU"



Respondent No. 2 as the final settlement amount.

5. In view of the settlement, the representative of the Complainant company, Mr. Mithun Rathore, VP Legal, who is appearing *via* video conferencing and is duly identified by the Investigating Officer, unequivocally states that the Company does not wish to pursue the present FIR. He confirms that the decision to settle the matter is voluntary and made without any undue influence or coercion. He further confirms receipt of the full and final settlement amount from the Petitioners, in accordance with the terms of the MoU executed between the parties, and has issued a No-Dues Certificate in this regard. The Petitioners have also joined the proceedings through video conferencing and are duly identified by the Investigating Officer.

6. It is noted that another co-accused, Mr. Anuj Sukhadia, named in the FIR, is not a party to the present case; nonetheless, Mr. Rathore states that the dispute has been settled with all the accused, and the Complainant company has no objection to quashing of the impugned FIR *qua* all the accused persons. In light of the amicable resolution between the parties, the Petitioners seek quashing of the subject FIR and all proceedings arising therefrom.

7. The Court has considered the submissions of the parties. While offences under Sections 406 and 420 IPC are compoundable at the instance of the aggrieved party with the Court's permission, the offence under Section 120B IPC is non-compoundable.

8. However, it is well settled that in the exercise of its inherent powers under Section 482 Cr.P.C. (now 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]

9. 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.**

⁵ (2012) 10 SCC 303

⁶ (2014) 6 SCC 466



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 him by not quashing the criminal cases.”

[Emphasis Supplied]

10. The Complainant in the present case 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 482 of the Cr.P.C. to secure the ends of justice.

11. However, since the State machinery was set in motion based on the impugned FIR, it is appropriate to impose costs on the Petitioners.

12. Accordingly, the present petition is allowed and FIR No. 0193/2017 under Sections 406/420/120B of IPC, registered at P.S. Economic Offences Wing, as well as all consequential proceedings arising therefrom are hereby



quashed subject to the Petitioners paying costs of INR 25,000/- each to the Delhi Police Welfare Fund within 4 weeks from today. Proof of payment shall be furnished to the concerned Investigating Officer within 4 weeks thereafter.

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

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

SANJEEV NARULA, J

OCTOBER 15, 2025

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