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

+ **CRL.M.C. 9353/2024**

RABINA PALLA@RAVEENA PALLA & ORS.Petitioners

Through: **Mr. Ajay Paul, Advocate**

versus

STATE NCT OF DELHI & ANR.Respondents

Through: **Mr. Laksh Khanna, APP for State
along with IO, PS: Pahar Ganj
Mr. Sudharshan Rajan, Mr. J. S.
Kalra, Mr. Fatehpal Singh, Mr.
Salanki Sharma, Mr. Sagar Sharma
and Mr. Rajan Kumar, Advocates**

CORAM:

HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

ORDER

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30.01.2025

1. The present petition has been filed under Section 528 of the Bhartiya Nagarik Suraksha Sanhiyta, 2023 (BNSS) seeking quashing of the FIR No. 231/2017 registered under Section 408/420/120B of the Indian Penal Code, 1860 (IPC) at Police Station Paharganj and all the proceedings emanating therefrom in light of the Settlement arrived at between the contesting parties as recorded in the Memorandum of Understanding (MoU) dated 01.10.2024.
2. Petitioner Nos. 1, 2, 3 and 4 are present in Court and are identified by the learned counsel for the Petitioners and the Investigating Officer ('I.O.').
3. Respondent No. 2, the complainant is also present in Court and is identified by his counsel as well as the I.O.
4. Learned counsel for the Petitioners states that parties have entered



into a MoU dated 01.10.2024 and as per the said MoU, Petitioners herein have undertaken to pay a sum of Rs. 8,50,000/- to the complainant as full and final settlement of the claims of the complainant.

4.1 He states that the sum of Rs. 5,50,000/- is being paid over to the Respondent No. 2 through demand draft. He states that the balance amount of Rs. 3 lakhs stand deposited before the Trial Court i.e., ACJM-01 Central (Tis Hazari Courts, Delhi). He states that the Respondent No. 2 will be entitled to seek release of the said amount from the Trial Court.

4.2 He states that in addition, Petitioner No. 1 herein has agreed to quashing of FIR No. 272/2017 filed against Respondent No. 2 and one Ms. Sana Bagai.

5. Learned counsel for Respondent No. 2 confirms receipt of the demand draft and the execution of the MoU dated 01.10.2024.

6. Mr. Laksh Khanna, learned APP states that Chargesheet has been filed in this matter and the trial is at the stage framing of charges.

7. The dispute in the present proceedings arose due to the allegation of Respondent no. 2 that Petitioner no. 1 who was his employee had embezzlement funds. With the settlement, the Respondent no. 2 has now been returned the said funds.

8. The Supreme Court in the case of **Parbatbhai Aahir v. State of Gujarat**¹ wherein the Supreme Court while examining the power of this Court under Section 482 CrPC opined that the cases arising from commercial, financial, mercantile, partnership or similar transactions with an essentially civil flavour may be quashed where parties have settled the dispute. The relevant extract from the said Judgement reads as under :-



“16. The broad principles which emerge from the precedents on the subject, may be summarised in the following propositions:

xxx

16.7. As distinguished from serious offences, there may be criminal cases which have an overwhelming or predominant element of a civil dispute. They stand on a distinct footing in so far as the exercise of the inherent power to quash is concerned;

16.8. Criminal cases involving offences which arise from commercial, financial, mercantile, partnership or similar transactions with an essentially civil flavour may in appropriate situations fall for quashing where parties have settled the dispute;

16.9. In such a case, the High Court may quash the criminal proceeding if in view of the compromise between the disputants, the possibility of a conviction is remote and the continuation of a criminal proceeding would cause oppression and prejudice; and...”

(Emphasis supplied)

9. Keeping in view the aforesaid law, the civil nature of the dispute and the fact that the parties have amicably settled the dispute this Court is, therefore, of the view that there is no use continuing with proceedings of the captioned FIR as it would be misuse of the process of the Court and an unnecessary burden on the State exchequer. It will be nothing but abuse of the process of law and it would not be in the interest of justice if this FIR and proceedings emanating therefrom are allowed to be continued. Further this Court is also of the considered opinion that it is a fit case to exercise discretionary jurisdiction under Section 528 of the BNSS.

10. Consequently, the present petition is allowed and, the FIR No. 231/2017 registered at Police Station Pahar Ganj for offences under Sections 408/420/120B of the IPC and proceedings emanating therefrom are quashed, subject to payment of cost of Rs. 15,000/- by the Petitioners jointly to the Delhi High Court Legal Service Committee (DHCLSC) within a period of

¹ (2017) 9 SCC 641



four (4) weeks from today.

11. Proof evidencing receipt of deposit shall be filed by the Petitioners with the I.O. In case the receipt of payment of cost is not filed within the stipulated time, the IO shall be at liberty to move an appropriate application before this Court.

12. Parties shall abide by and are bound down to the terms of settlement recorded in the MoU dated 01.10.2024.

13. Pending application is disposed of as infructuous.

14. The digitally signed copy of this order, duly uploaded on the official website of the Delhi High Court, www.delhihighcourt.nic.in, shall be treated as a certified copy of the order for the purpose of ensuring compliance. No physical copy of order shall be insisted by any authority/entity or litigant.

MANMEET PRITAM SINGH ARORA, J

JANUARY 30, 2025/rhc/sk