

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CRIMINAL APPELLATE JURISDICTION
CRIMINAL APPLICATION NO. 665 OF 2026**

Balasubramaniam Rajalakshmi

Arun Eashwar and Ors

... Applicants

Versus.

The State of Maharashtra And Anr.

... Respondents

Mr. Ganesh Gupta a/w Ambili Menon i/b G. G. Legal Associates,
for the Applicants.

Mr. Madan Khansole a/w Surya Gupta, for the Respondent No. 2

Mr. Sukanta Karmakar, APP for the Respondent – State.

API Dhananjay Marane, Cuffe Parade Police Station, is present.

CORAM : ASHWIN D. BHOBE, J.

DATE : 10th April, 2026.

P.C. :

1. Heard Mr. Ganesh Gupta, learned Advocate for the Applicants, Mr. Sukanta Karmakar, learned APP for the Respondent – State and Mr. Madan Khansole, learned Advocate for the Respondent No. 2.

2. This Criminal Application under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023, is filed by the Applicants seeking to quash the FIR bearing CR No. 22/2026, dated 29.01.2026,

registered at Cuffe Parade Police Station, Mumbai (hereafter “impugned FIR”), for offences punishable under Sections 406, 420 read with 34 of the Indian Penal Code, 1860.

3. Mr. Ganesh Gupta and Mr. Madan Khansole submit that the subject matter of the impugned FIR is a commercial transaction between Respondent No. 2 and the Applicants. To clarify, they submit that the dispute pertains to the supply of raw cotton by Respondent No. 2 to the Applicants and the Applicants' non-payment of the price of the cotton. They submit that the said dispute led to the complaint filed by Respondent No. 2, which is registered as the impugned FIR. They submit that the said commercial dispute between the Applicants and Respondent No. 2 is settled and the terms are disclosed in the Settlement Deed Cum Compromise Agreement dated 18.02.2026, which they have produced on record as Exhibit - B (Page Nos. 25 to 43 of the paper book). They submit that, in view of the settlement between Respondent No. 2 and the Applicants, Respondent No. 2 does not intend to continue with the criminal proceedings and by Affidavit dated 09.04.2026, has given no objection to the quashing of the

same. They therefore pray that the impugned FIR be quashed.

4. The Applicants are present in Court and are identified by their Advocate Mr. Ganesh Gupta. He submits the photocopies of the Applicant's identity cards (3 copies), which are taken on record and marked as **"X-Colly"** for identification.

5. Respondent No. 2 is present in Court and is identified by his Advocate Mr. Madan Khansole. He submits a photocopy of Respondent No. 2's identity card, which is taken on record and marked as **"X-1"** for identification.

6. Mr. Madan Khansole states that the Affidavit dated 09.04.2026, affirmed by the Respondent No. 2 before the Notary S. N. Dhange, Mumbai is placed on record, the same is marked as **"X-2"** for identification.

7. Respondent No. 2 states that the Affidavit (X-2) is filed voluntarily and without any pressure or coercion from anyone. He states that the contents of the Affidavit (X-2) are true and as per his say. He states that the subject matter of the

complaint/impugned FIR was non-payment of the consideration amount due and payable by the Applicants towards the sale/purchase of raw cotton. He states that the said payment controversy has been resolved by the Settlement Deed Cum Compromise Agreement dated 18.02.2026. He states that he has no intention to continue with the criminal proceedings. He refers to paragraph Nos. 1, 2 and 3 of his Affidavit (X-2). He therefore reiterates his no objection to the quashing of the impugned FIR.

8. Mr. Sukanta Karmakar, learned APP for the Respondent – State, submits that a pure commercial dispute was given a criminal veneer by the Respondent No. 2 and the Applicants. He submits that the police machinery was used to settle a commercial dispute, resulting in it having to devote time to a matter that was not relevant. He, however, states that in view of the settlement between the parties, the statements made by the Respondent No. 2 before this Court and the no objection in the Affidavit (X-2), Respondent No. 1 has no objection to the quashing of the impugned FIR. He, however, strongly insists on the imposition of exemplary costs on the Applicants as well as the Respondent No. 2.

9. Mr. Ganesh Gupta and Mr. Madan Khansole, learned Advocates, on instructions from the Applicants and Respondent No. 2, submit that they shall pay appropriate costs.

10. Considering the facts mentioned hereinabove, the submissions of the learned Advocates, the nature of the dispute, which is a commercial dispute between two private litigants which now stands settled in view of the settlement agreement between the Applicants and the Respondent No. 2 and the no objection of the Respondent No. 2 in the Affidavit (X-2) to quash the impugned FIR, no useful purpose would be served by continuing the Criminal proceedings. Having regard to the pronouncements of the Hon'ble Supreme Court in the case of *Gian Singh vs State of Punjab*¹, *Narinder Singh and Ors vs State of Punjab and Anr*² and *Parbatbhai Aahir @ Parbatbhai vs The State of Gujarat*³, there is no impediment in allowing this Application.

11. In view of the above, Criminal Application No. 665 of 2026

1 2012 10 SCC 303

2 2014 6 SCC 466

3 2017 9 SCC 641

is allowed in terms of prayer clause (a), subject to payment of costs of Rs. 3,00,000/- by the Applicants and Rs. 1,00,000/- by the Respondent No. 2. Payment of costs is a condition precedent. Consequently, the impugned FIR is quashed.

12. Each of the Applicants shall deposit the cost of Rs. 1,00,000/- (total of Rs. 3,00,000/-) in the account mentioned below within a period of three (3) weeks from today

The High Court Employees Medical Welfare Fund at Mumbai	
Account No. :	000120110001337
Bank:	Bank of India
Branch:	Mumbai Main
IFSC Code:	BKID0000001

13. The Respondent No. 2 shall deposit the cost of Rs. 1,00,000/- in the account mentioned below within a period of three (3) weeks from today.

Central Police Welfare Fund

Director General M. S. Mumbai.	
Account No. :	914010029005759
Bank:	Axis Bank Limited
Branch:	Worli, Mumbai (M.H.), Mumbai - 400 025
IFSC Code:	UTIB0000060

14. The compliance affidavit, along with the proof of deposit, shall be filed with the Registry of this Court by the Applicants and Respondent No. 2 on or before 05.05.2026.

15. Criminal Application No. 665 of 2026 is disposed of.

(ASHWIN D. BHOBE, J.)

Digitally
signed by
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KRISHNA
RODGE
Date:
2026.04.21
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+0530