



2026:DHC:8455



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

Reserved on: 14.09.2026

Pronounced on: 29.09.2026

Uploaded on: 29.09.2026

+ **CRL.M.C. 3375/2023 & CRL.M.A. 12679/2023, CRL.M.A.
28210/2024**

AKSHAY JHA

.....Petitioner

Through: Mr. P.B.A. Srinivasan, Ms. Barnali
Paul, Ms. Rajshree Dhapola, Advs.

versus

CENTRAL BUREAU OF INVESTIGATION ORS & ANR.

.....Respondents

Through: Mrs. Anubha Bhardwaj, SPP for CBI
with Ms. Ananya Shamshery, Adv.
Mr. Praveen Kumar Jain, Ms. Rashmi
Kumari, Ms. Anamika Agrawal, Mr.
Aditya Rathi, Dr. Prachi Jain, Advs.

+ **CRL.M.C. 3707/2023 & CRL.M.A. 14026/2023**
VIJAY KUMAR JHA

.....Petitioner

Through: Mr. P.B.A. Srinivasan, Ms. Barnali
Paul, Ms. Rajshree Dhapola, Advs.

versus

CENTRAL BUREAU OF INVESTIGATION ORS & ANR.

.....Respondents

Through: Mrs. Anubha Bhardwaj, SPP for CBI
with Ms. Ananya Shamshery, Adv.
Mr. Praveen Kumar Jain, Ms. Rashmi
Kumari, Ms. Anamika Agrawal, Mr.
Aditya Rathi, Dr. Prachi Jain, Advs.



CORAM:
HON'BLE MS. JUSTICE MADHU JAIN

JUDGMENT

MADHU JAIN, J.

1. These petitions under Section 482 of the Code of Criminal Procedure, 1973 (hereinafter referred to as the 'CrPC') arise out of the same RC No. 2(A)/97-ACU.X registered by the Central Bureau of Investigation (hereinafter referred to as the 'CBI'), concerning transactions undertaken under the Domestic Tariff Area (hereinafter referred to as the 'DTA') Scheme of the Minerals and Metals Trading Corporation of India Ltd. (hereinafter referred to as the 'MMTC'). Since the petitions arise out of the same RC and involve substantially overlapping facts and issues, they are being disposed of by this common judgment.

BREIF FACTS:

2. The matter has its genesis in the policy governing Diamonds, Gems and Jewellery Export Promotion Schemes under the Exim Policy for the period 01.04.1992 to 31.03.1997. Under the relevant scheme, MMTC and the State Bank of India could supply gold on loan basis to associates in the DTA. Pursuant to the said scheme, the firms forming part of the Balaji Group of Companies, including M/s Kamayani International and M/s Balaji Exports, approached MMTC for being recognised as DTA associates and for sanction of gold and packing credit limits.



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3. M/s Kamayani International, of which Akshay Jha was the proprietor, entered into the DTA arrangement with MMTC and furnished documents relating to property bearing No. 100, Pataliputra Colony, Patna as security. During the period from 12.04.1993 to 10.06.1994, 51 kilograms of gold were supplied by MMTC to the said firm. Out of the said quantity, 43 kilograms were exported, while 8 kilograms remained unexported and were not returned to MMTC.

4. Similarly, M/s Balaji Exports, of which Vijay Kumar Jha was the proprietor, entered into an agreement with MMTC dated 02.11.1992 and furnished documents relating to property bearing No. B-180, Sector-31, Noida, Uttar Pradesh as collateral security. During the period from 16.11.1992 to 11.05.1994, the said firm received 105 kilograms of gold from MMTC. Out of the said quantity, 89 kilograms were exported, whereas 16 kilograms remained unexported and were not returned to MMTC.

5. The RC was registered on 18.11.1997 in relation to the transactions concerning the aforesaid firms and certain officials of MMTC. The prosecution alleged, *inter alia*, that the concerned persons had entered into a criminal conspiracy and had dishonestly misappropriated the gold which had been entrusted to them by MMTC.

6. Separate charge-sheets were thereafter filed in respect of the two firms. Charge Sheet No. 03/99 dated 23.12.1999 was filed in relation to M/s Kamayani International, alleging, *inter alia*, criminal conspiracy concerning 8 kilograms of gold. In respect of M/s Balaji Exports, Charge Sheet No. 02/99 dated 23.12.1999 was filed, alleging criminal conspiracy



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concerning 16 kilograms of gold valued at Rs.1,72,38,307/-.

7. In the proceedings arising out of Charge Sheet No. 03/99, the learned Trial Court initially framed a charge under Section 409 of the Indian Penal Code, 1860 (hereinafter referred to as the 'IPC') against Akshay Jha. An application under Section 216 of the CrPC was thereafter preferred by the CBI for addition/amendment of charges. The said proceedings culminated in amended charges being framed against him vide order dated 24.04.2007.

8. In the proceedings arising out of Charge Sheet No. 02/99, the learned Trial Court, vide order dated 01.05.2001, framed charges under Section 120-B read with Section 409 of the IPC against Vijay Kumar Jha. Subsequently, on an application filed by the CBI under Section 216 of the CrPC, the learned Trial Court allowed amendment of the charges and, vide order dated 11.07.2007, framed amended charges under Section 409 read with Section 120-B of the IPC.

9. Parallel to the criminal proceedings, MMTC initiated recovery proceedings arising out of the underlying transactions. In respect of M/s Balaji Exports, arbitration proceedings were instituted pursuant to the arbitration clause contained in the DTA Agreement, culminating in an arbitral award dated 15.12.2003 in favour of MMTC. Similar recovery proceedings were also undertaken in relation to the transactions concerning M/s Kamayani International.

10. Subsequently, the outstanding disputes between MMTC and the firms forming part of the Balaji Group were taken up for settlement. An amount of Rs.50,00,000/- was initially deposited towards the proposed



settlement. The Dispute Resolution Committee of MMTC thereafter recommended an amount of Rs.5,30,08,842/- towards full and final settlement of the dues concerning the four firms, including M/s Kamayani International and M/s Balaji Exports.

11. The balance amount of Rs.4,80,08,842/- was thereafter deposited. MMTC subsequently acknowledged receipt of the full and final payment. In relation to M/s Balaji Exports, MMTC, vide its letter dated 09.07.2009, recorded that full and final payment had been received, that the documents relating to the property furnished as security had been released and that nothing remained due in that regard.

12. In relation to M/s Kamayani International, MMTC similarly acknowledged the settlement, following which the original documents pertaining to the property at Pataliputra Colony, Patna were released pursuant to the order dated 17.09.2008 referred to in the proceedings.

13. The petitioners have approached this Court seeking quashing of the criminal proceedings arising out of the aforesaid RC and the respective charge-sheets.

SUBMISSIONS MADE ON BEHALF OF THE PETITIONERS:

14. Learned counsel for the petitioners submits that the substantial export of the gold received by the respective firms is inconsistent with the allegation of a dishonest intention from the inception to misappropriate or convert the gold. It is further submitted that the prosecution material itself records that the period prescribed for manufacture and export of jewellery was reduced from 120 days to 45



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days. The petitioners thereafter approached MMTC and the concerned authorities on several occasions seeking extension of time for completing the export.

15. Learned counsel for the petitioners specifically relies upon the correspondence dated 26.09.1995, 10.10.1995, 20.01.1996 and 03.03.1996, and submits that the contemporaneous conduct of the petitioner- Akshay Jha, in seeking extension of time is inconsistent with an intention to dishonestly appropriate the gold. It is submitted that these circumstances are relevant while examining whether the foundational requirement of dishonest intention for an offence under Section 409 IPC is made out. Learned counsel further submits that similarly, following the reduction of the export period, the petitioner- Vinay Jha repeatedly approached MMTC seeking extension and continued to correspond with the concerned authorities.

16. Learned counsel for the Petitioners submits that entrustment, by itself, is insufficient to constitute an offence under Section 409 IPC and that the prosecution must also disclose material demonstrating dishonest misappropriation.

17. Learned counsel further submits that the allegation of criminal conspiracy under Section 120-B IPC cannot be sustained in the absence of material disclosing an agreement or meeting of minds to commit an illegal act. It is pointed out that the charge alleging conspiracy does not disclose any specific agreement between the petitioners and the other accused persons. Learned counsel submits that the applications for the DTA facility were made subsequently, followed by execution of the DTA



Agreements and delivery of the gold, and that the prosecution has not placed any material demonstrating a prior meeting of minds or a dishonest design.

18. Learned counsel further submits that the underlying dispute was essentially contractual and commercial in character. It is pointed out that MMTC itself invoked the contractual mechanism available under the DTA arrangement and pursued arbitral proceedings, which culminated in awards in favour of MMTC. According to learned counsel, the fact that MMTC pursued its contractual remedies demonstrates the commercial nature of the underlying transaction.

19. Learned counsel submits that, subsequently, the entire monetary dispute between MMTC and the concerned firms was settled. An amount of Rs.50,00,000/- was initially deposited, following which MMTC's Dispute Resolution Committee determined an amount of Rs.5,30,08,842/- towards full and final settlement. The balance amount of Rs.4,80,08,842/- was thereafter deposited, thereby resulting in payment of the entire settlement amount.

20. Learned counsel further submits that MMTC thereafter acknowledged receipt of the full and final payment, released the collateral/property documents and recorded that nothing remained due. It is therefore contended that the actual commercial counter-party, namely MMTC, has no subsisting monetary claim against the petitioners or their respective concerns.

21. Learned counsel submits that the subsequent settlement is not relied upon as the sole ground for seeking quashing of the criminal proceedings.



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It is submitted that the principal case of the petitioners is that the prosecution material itself fails to disclose the essential ingredients of Sections 409 and 120-B IPC. The settlement with MMTC is relied upon as an additional circumstance demonstrating the predominantly commercial character of the underlying transaction and the absence of any subsisting monetary grievance of MMTC.

22. Learned counsel places reliance upon the judgment of the Supreme Court in ***Suresh C. Singal & Ors. v. State of Gujarat & Ors., 2025 SCC OnLine SC 788***. He submits that in the aforesaid judgement, the criminal proceedings had been initiated by the CBI in relation to transactions having a predominantly commercial character and that the Supreme Court examined the effect of the settlement of the underlying financial dispute while considering the exercise of the inherent jurisdiction of the High Court under Section 482 of the CrPC.

23. Learned counsel further submits that, in ***Suresh C. Singal (supra)***, the Supreme Court considered the nature of the underlying transaction, the absence of a surviving grievance on the part of the concerned financial institution and the circumstances in which continuation of the criminal proceedings would amount to abuse of the process of law.

24. Learned counsel further relies upon the judgment of the Supreme Court in ***Anand Kumar @ Sanjay Lalwani v. State of Madhya Pradesh & Ors., 2026 SCC OnLine SC 1724***. It is submitted that the Supreme Court has recognised the distinction between compounding of an offence and quashing of criminal proceedings on the basis of settlement, and has reiterated that the inherent jurisdiction under Section 482 of the CrPC is



distinct from the statutory power of compounding.

25. Learned counsel submits that, as observed in *Anand Kumar (supra)*, while considering a prayer for quashing on the basis of settlement, the Court may examine whether, in view of the settlement, there remains any likelihood of conviction and whether continuation of the proceedings would amount to an abuse of the process of law. Learned counsel submits that the petitioners do not seek compounding of the alleged offences.

26. Learned counsel further places reliance upon *State of Haryana v. Bhajan Lal, 1992 Supp (1) SCC 335* and *Zandu Pharmaceutical Works Ltd. v. Mohd. Sharaful Haque, (2005) 1 SCC 122*, to submit that the inherent jurisdiction of the High Court may be exercised where the allegations, even if taken at their face value, do not disclose the commission of an offence, or where continuation of the criminal proceedings would amount to an abuse of the process of law.

27. Learned counsel further submits that the transactions in question date back to the early 1990s, the RC was registered on 18.11.1997 and the respective charge-sheets were filed on 23.12.1999. It is contended that, in view of the passage of more than two decades, the complete settlement with MMTC, payment of the entire settlement amount and the absence of any surviving monetary claim on the part of MMTC, the possibility of conviction is remote.

SUBMISSION MADE ON BEHALF OF THE RESPONDENTS:

28. *Per contra*, Learned SPP appearing for the CBI opposes the present



petitions and submits that the allegations against the petitioners are not merely contractual or civil in nature. It is submitted that the investigation had disclosed that the petitioners, in conspiracy with the other accused persons, had been entrusted with gold by MMTC under the Gold Loan Scheme and had failed to export or return the remaining quantity of gold entrusted to them.

29. It is submitted that the investigation has collected both oral and documentary evidence in support of the allegations, pursuant to which charge-sheets were filed and charges under Sections 120-B and 409 of the IPC were framed by the learned Trial Court. According to the learned SPP, the question whether the petitioners had dishonestly misappropriated or converted the entrusted gold, and whether there was a criminal conspiracy between the accused persons, are matters which arise for determination during trial and cannot be conclusively adjudicated upon in proceedings under Section 482 of the Code of Criminal Procedure, 1973 (Cr.P.C.).

30. Learned SPP further submits that the contention regarding reduction of the export period from 120 days to 45 days does not exonerate the petitioners. It is pointed out that the petitioners were duly informed of the revised period and, in the case of M/s Balaji Exports, 3 Kgs. of gold were received even after the reduction of the export period. It is submitted that despite knowledge of the applicable period, the petitioners neither exported the remaining gold nor returned the same to MMTC. The CBI, therefore, submits that the circumstances relied upon by the petitioners cannot, at this stage, be treated as sufficient to negate



the allegation of dishonest intention.

31. On the issue of settlement, learned SPP does not dispute that the monetary dues of the concerned firms were subsequently settled with MMTC for a total amount of ₹5,30,08,842/-. However, it is submitted that such settlement does not, by itself, efface the alleged criminal acts or bring the prosecution to an end. The offences alleged are non-compoundable and involve alleged misappropriation of the property of MMTC, a Government company. It is therefore contended that repayment of the amount pursuant to the arbitral proceedings and subsequent settlement cannot constitute the sole basis for quashing the criminal proceedings.

32. Learned SPP places reliance upon the order dated 15.03.2010 passed by this Court in ***Criminal M.C. No. 1035/2009***, arising out of the same proceedings and concerning co-accused, wherein a prayer for quashing on the ground of settlement with MMTC had been rejected. It is submitted that the said order specifically considered the fact that the amounts due to MMTC had been paid pursuant to the arbitral award, but nevertheless declined to quash the criminal proceedings, inter alia, taking note of the nature of the allegations and the fact that MMTC was a government company and the monies involved were public funds.

33. It is further submitted that the judgments relied upon by the petitioners, including ***Suresh C. Singal (supra)*** and ***Anand Kumar @ Sanjay Lalwani (supra)*** turn upon their respective facts and do not mandate quashing merely because a commercial dispute has subsequently been settled.



34. Learned SPP accordingly submits that the present cases do not fall within the exceptional circumstances warranting interference under Section 482 Cr.P.C.

FINDINGS AND ANALYSIS:

35. The Court has considered the submissions advanced by learned counsel for the parties and has perused the material on record.

36. The principal question which arises for consideration is whether, in the facts and circumstances of the present case, continuation of the criminal proceedings against the petitioners would serve any meaningful purpose or whether the same would amount to an abuse of the process of the Court warranting exercise of the inherent jurisdiction under Section 482 Cr.P.C.

37. At the outset, it is necessary to bear in mind that the jurisdiction under Section 482 Cr.P.C. is not a jurisdiction for appreciation of evidence or for conducting a mini-trial. Ordinarily, where the allegations contained in the FIR and the material collected during investigation disclose the commission of an offence, the Court would be slow to interfere with the prosecution. At the same time, the inherent jurisdiction is available where, upon a consideration of the material placed before the Court and the subsequent developments, continuation of the proceedings would serve no useful purpose and would result in abuse of the process of law.

38. In the present case, the allegations against the petitioners arise out of transactions undertaken pursuant to the DTA Scheme of MMTC. The gravamen of the prosecution case is that gold was entrusted by MMTC to



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the respective firms of the petitioners for manufacture and export of jewellery and that a part of the gold so supplied was neither exported nor returned to MMTC. In the case of Akshay Jha, out of 51 kilograms of gold supplied to M/s Kamayani International, 43 kilograms were admittedly exported, leaving 8 kilograms as the subject matter of the prosecution. Likewise, in the case of Vijay Kumar Jha, M/s Balaji Exports received 105 kilograms of gold, out of which 89 kilograms were exported and the allegation concerns the remaining 16 kilograms. The amended charges themselves record these figures.

39. The aforesaid circumstance, by itself, cannot be treated as determinative of the absence of dishonest intention. However, it is a circumstance which cannot be completely divorced from the assessment of the nature of the transaction and the subsequent conduct of the petitioners. The prosecution case does not allege that the entire quantity of gold entrusted to the petitioners was diverted or misappropriated, substantial quantities were admittedly utilised for the very purpose for which the gold had been supplied, namely, manufacture and export of jewellery.

40. The petitioners have also placed reliance upon the circumstances surrounding the reduction of the period prescribed for export. The material placed on record indicates that the original arrangement contemplated a period of 120 days for export, which was subsequently reduced to 45 days. The petitioners contend that this change materially affected their ability to complete the export in respect of the remaining quantity and that they thereafter continued to approach MMTC and the concerned authorities



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seeking extension of time. In the case of Akshay Jha, letters dated 26.09.1995, 10.10.1995, 20.01.1996 and 03.03.1996 have been relied upon in this regard.

41. The aforesaid correspondence assumes significance in the present proceedings not for the purpose of returning a finding on the ultimate guilt or innocence of the petitioners, but for examining whether the material, taken in its entirety, warrants continuation of a criminal prosecution after the subsequent developments. The conduct of the petitioners in approaching MMTC and seeking further time is a circumstance which is capable of being considered while examining the allegation of dishonest intention. It would, however, be inappropriate for this Court, in exercise of jurisdiction under Section 482 Cr.P.C., to undertake an appreciation of the said correspondence as though conducting a trial.

42. This Court is conscious that, at the stage of considering a petition under Section 482 Cr.P.C., it is not called upon to determine whether the petitioners would ultimately be acquitted at trial. The Court is required to examine whether, in the totality of the circumstances obtaining today, continuation of the prosecution would advance the cause of justice.

43. The other allegation against the petitioners is that they entered into a criminal conspiracy with the other accused persons for misappropriation of the gold. The charge of conspiracy is stated in broad terms and the substantive allegation is founded upon the alleged failure to export or return the remaining quantity of gold. The existence of a conspiracy, its nature and the participation of the individual accused would ordinarily be matters for evidence. However, the Court cannot lose sight of the fact that



the transactions in question are more than three decades old and that the underlying financial dispute between MMTC and the concerned firms has long since been brought to an end.

44. The subsequent events in the present case are of considerable significance. The record shows that MMTC's Dispute Resolution Committee considered the dispute concerning the four firms, including M/s Kamayani International and M/s Balaji Exports, and accepted a proposal for settlement. The total amount of ₹5,30,08,842/- was thereafter paid to MMTC towards full and final settlement. MMTC also released the documents relating to the properties furnished as security and, in the case of M/s Balaji Exports, specifically recorded that full and final payment had been received and that nothing remained due in that regard.

45. Thus, the monetary and commercial dispute between the petitioners' concerns and MMTC has not merely been partially resolved. The material before the Court records acceptance of the settlement amount as full and final settlement of the dues and release of the securities furnished in respect of the transactions. The factum of settlement is also not disputed by the CBI. The opposition of the CBI is essentially that such settlement cannot, by itself, efface an alleged criminal offence.

46. No doubt, a settlement or repayment cannot, in every case and irrespective of its nature, result in quashing of criminal proceedings. The power under Section 482 Cr.P.C. is distinct from the statutory power of compounding. The fact that an offence is non-compoundable is therefore not, by itself, determinative of the question whether the High Court can exercise its inherent jurisdiction in an appropriate case.



47. The distinction between compounding and quashing on the basis of settlement has recently been reiterated by the Supreme Court in **Anand Kumar @ Sanjay Lalwani (supra)**. The Supreme Court has reiterated that quashing on the basis of settlement is governed by a different consideration, namely, whether, in view of the settlement and the surrounding circumstances, there is any real likelihood of conviction and whether continuation of the proceedings would amount to an abuse of the process of law.

48. The Supreme Court in **Anand Kumar (supra)** has also reiterated the principle that cases arising predominantly out of civil, mercantile, commercial or financial transactions stand on a different footing where the parties have resolved their dispute. The Court is, however, required to examine the nature of the allegations and the identity of the person who has suffered the loss or injury before exercising its jurisdiction.

49. The present case has to be examined in the aforesaid framework. The person/entity directly concerned with the underlying transaction and alleged monetary loss is MMTC. The contractual relationship between MMTC and the concerned firms was governed by the DTA arrangement and contained a mechanism for resolution of disputes. MMTC did in fact pursue its contractual remedies, including arbitration, and thereafter accepted the settlement amount in full and final satisfaction of its monetary claims. The security documents were also released.

50. The subsequent settlement is therefore not being considered in isolation. It is one circumstance in a larger factual matrix consisting of the commercial nature of the underlying transaction, the acceptance of the



settlement amount by MMTC, release of the securities, and the extraordinary passage of time since the transactions in question.

51. The decision of the Supreme Court in ***Suresh C. Singal (supra)***, assumes relevance in this context. In the aforesaid judgement, the Supreme Court examined the continuation of CBI proceedings arising out of financial transactions after the underlying liability had been settled. The Court reiterated that criminal proceedings arising out of transactions having an overwhelmingly and predominantly civil or commercial character may be quashed where the dispute has been completely resolved and continuation of the prosecution would serve no useful purpose.

52. Though the Court is conscious of the distinction between the facts of ***Suresh C. Singal (supra)*** and the present case. In ***Suresh C. Singal, (supra)*** the settlement had taken place at an earlier stage and the Court also took into account the absence of substantiation of allegations against the concerned bank official. The said judgment, therefore, cannot be mechanically applied. What is relevant is the principle that the subsequent settlement, the nature of the underlying transaction, the position of the victim/aggrieved entity and the likelihood of conviction are relevant considerations while exercising the inherent jurisdiction of the High Court.

53. The present case has an additional feature. The RC was registered on 18.11.1997 and the charge-sheets were filed on 23.12.1999. Charges were framed and thereafter amended in the years 2001 and 2007. The settlement with MMTC was thereafter concluded in 2008. Thus, the criminal proceedings have remained pending for an exceptionally long



period of time. The underlying monetary dispute, however, ceased to survive upon acceptance of the full and final settlement by MMTC.

54. The Court is also required to consider the effect of the order dated 15.03.2010 passed by this Court in ***Crl.M.C. No. 1035/2009***, relied upon by the CBI. The said proceedings arose out of the same proceedings and the prayer for quashing was also founded upon the settlement with MMTC. In that case, this Court declined to quash the proceedings, inter alia, observing that repayment of public money, by itself, could not furnish a ground for quashing criminal proceedings.

55. The said order cannot be treated as laying down an absolute proposition that criminal proceedings arising out of the present RC can never be quashed irrespective of subsequent developments or the legal position governing exercise of Section 482 Cr.P.C. The decision was rendered in 2010 and was on the facts and circumstances then placed before the Court. More importantly, the present petitions require consideration in the light of the subsequent authoritative pronouncements of the Supreme Court on the distinction between compounding and quashing on the basis of settlement, and the circumstances in which continuation of proceedings may constitute an abuse of process.

56. It is also relevant that the earlier order did not decide, after a detailed examination of the present petitioners' individual circumstances, that the allegations against them must necessarily proceed to trial notwithstanding every subsequent development. The jurisdiction under Section 482 Cr.P.C. is ultimately directed towards securing the ends of justice. The Court is therefore required to assess the present factual position and not



merely apply the earlier order as an inflexible bar.

57. The submission of the CBI that the offences alleged are non-compoundable is therefore of no assistance by itself. The petitioners are not seeking compounding of the offences under Section 320 Cr.P.C. They seek exercise of the inherent jurisdiction of this Court. As reiterated by the Supreme Court, the two jurisdictions are conceptually distinct.

58. At the same time, this Court is mindful that allegations involving public funds ordinarily warrant a degree of caution. The mere fact that MMTC is a Government company cannot, however, result in a proposition that the inherent jurisdiction of this Court is unavailable in every case involving a Government company. The relevant question remains whether, having regard to the nature of the transaction, the allegations, the subsequent conduct of the parties, the settlement and the present likelihood of a meaningful prosecution, continuation of the proceedings would advance the administration of criminal justice.

59. In the present case, the material placed before the Court shows that the commercial dispute which constituted the factual substratum of the transactions has been completely resolved. MMTC accepted the settlement amount towards full and final settlement and released the securities. There is no material placed before this Court to indicate that MMTC continues to assert any monetary claim against the petitioners arising from the said transactions. The CBI also does not dispute the fact of complete payment.

60. The Court also cannot ignore that the alleged acts relate to transactions of the period 1992-1994. The RC itself was registered in 1997



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and the charge-sheets were filed in 1999. The proceedings have consequently remained pending for nearly three decades. While delay by itself cannot furnish a ground to quash a prosecution involving a serious offence, the extraordinary passage of time assumes relevance when considered alongside the complete settlement of the underlying dispute and the absence of any surviving financial claim of the concerned entity.

61. The Court is therefore of the view that the present case cannot be regarded as one where the petitioners seek to wash away an alleged criminal offence merely by making payment. The settlement is one of several circumstances which, when viewed cumulatively, materially alter the position in which the prosecution originally commenced.

62. The Court is conscious that a petition under Section 482 Cr.P.C. ought not to be converted into a substitute for trial. The present conclusion does not rest upon a re-appreciation of disputed evidence. It rests principally upon undisputed subsequent events, that is, the complete settlement with MMTC, receipt of the entire settlement amount, release of the securities and the extraordinary lapse of time, considered in conjunction with the nature of the underlying transaction and the material relied upon by the prosecution itself.

63. The judgment of the Supreme Court in *Anand Kumar (supra)* is particularly instructive in this regard. The Supreme Court has reiterated that the relevant enquiry is not whether the offence is technically compoundable, but whether, having regard to the settlement and the circumstances of the case, there remains a meaningful likelihood of conviction and whether continuation of the proceedings would amount to



abuse of process.

64. Applying the aforesaid principles to the facts of the present case, this Court is of the view that the continuation of the criminal proceedings, after the complete resolution of the underlying dispute with MMTC and the lapse of almost three decades since the transactions, would serve little useful purpose. The possibility of the prosecution resulting in a meaningful adjudication of the original commercial dispute is substantially diminished by the subsequent events, particularly when the entity which suffered the alleged monetary loss has accepted full and final settlement.

65. The Court therefore finds that the present petitions fall within the parameters of cases where exercise of inherent jurisdiction is warranted to prevent abuse of the process of the Court and to secure the ends of justice.

CONCLUSION

66. In view of the aforesaid discussion, the petitions are allowed. The RC No. 2(A)/97-ACU.X, along with Charge Sheet No. 03/99 dated 23.12.1999 and all consequential proceedings arising therefrom *qua* petitioner Akshay Jha, are hereby quashed.

67. Similarly, RC No. 2(A)/97-ACU.X, along with Charge Sheet No. 02/99 dated 23.12.1999 and all consequential proceedings arising therefrom *qua* petitioner Vijay Kumar Jha, are hereby quashed.

68. It is clarified that the present order is confined to the petitioners before this Court and is being passed having regard to the facts and circumstances pertaining to them, including the settlement and subsequent



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developments noticed herein.

69. Pending applications, if any, also stand disposed of.

70. The judgment be uploaded on the website of this Court forthwith.

**MADHU JAIN
(JUDGE)**

AUGUST 29, 2026/P