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

+ **CRL.M.C. 1404/2026**

DEEPAK KUMAR SHONAK & ORS.Petitioners

Through: Mr. Amitesh Giroti, Mr. Nipun Gupta & Mr. Vansh Malhotra, Advocates.

versus

STATE OF NCT OF DELHI AND ANRRespondents

Through: Ms. Manjeet Arya, APP for State with SI Mahesh Yadav, PS Dwarka North.

Mr. Shaurya Dogra, Advocate alongwith Aditya Singh, AR for R-2.

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

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19.02.2026

1. The petitioners have filed this petition under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023 ["BNSS"] (corresponding to Section 482 of the Code of Criminal Procedure, 1973 ["CrPC"]) seeking quashing of FIR No. 21/2026 dated 14.01.2026, registered at Police Station Dwarka North, under Sections 318(4)/316(2)/3(5) of the Bharatiya Nyaya Sanhita, 2023 ["BNS"], and all proceedings emanating therefrom, on the ground of settlement.

2. Issue notice. Ms. Manjeet Arya, learned Additional Public Prosecutor, accepts notice on behalf of the State. Mr. Shaurya Dogra, learned counsel, accepts notice on behalf of respondent No.2.



3. The petitioners are present in Court and have been identified by their learned counsel and the Investigating Officer [“IO”]. Mr. Aditya Singh, authorized representative of respondent No. 2, is also present in person and identified by his learned counsel and the IO. An authorization letter dated 24.12.2025 has been placed on record.

4. The petition is taken up for disposal with the consent of learned counsel for the parties.

5. The allegations, as per the FIR, are that the complainant – respondent No. 2, being M/s UNIQLO India Private Limited, discovered that the prime accused – petitioner No. 1, an employee of the said company, alongwith certain family members [petitioner Nos. 2 to 5], had fraudulently manipulated the company’s online payment platform to process forced manual refunds to themselves for high-value orders without returning the purchased articles. It is alleged that petitioner No. 1 accessed the payment platform using a generic login ID, in breach of authorization, and orchestrated multiple transactions resulting in wrongful gain to the petitioners and a corresponding loss to the company amounting to approximately Rs. 22,87,840/-.

6. The matter has, however, been settled within one month of registration of the FIR. The parties have entered into a settlement, recorded in a Memorandum of Understanding [“MoU”] dated 10.02.2026. Learned counsel for the parties confirm that the settlement has been entered into voluntarily and without any coercion or undue pressure. The settlement provides for payment of a total sum of Rs. 23,00,000/- to respondent No. 2, in two instalments. Rs. 16,10,000/-, representing 70% of the settled amount, was paid by Demand Draft at the



time of execution of the MOU dated 10.02.2026. The balance of Rs. 6,90,000/-, representing 30% of the settled amount, was to be handed over in Court at the time of the present quashing petition. Mr. Singh, the authorized representative of respondent No. 2 – company confirms that the entire settlement amount has been received.

7. In light of the above, the parties seek quashing of the impugned FIR.

8. The Supreme Court has consistently held that High Courts, in exercise of powers under Section 528 of BNSS (corresponding to Section 482 of CrPC), may quash criminal proceedings, even in respect of non-compoundable offences, on the basis of a settlement between the parties, particularly where no overarching public interest is adversely affected. In *Gian Singh v. State of Punjab & Anr*¹, the Supreme Court has observed as follows:

“58. Where the High Court quashes a criminal proceeding having regard to the fact that the dispute between the offender and the victim has been settled although the offences are not compoundable, it does so as in its opinion, continuation of criminal proceedings will be an exercise in futility and justice in the case demands that the dispute between the parties is put to an end and peace is restored; securing the ends of justice being the ultimate guiding factor. No doubt, crimes are acts which have harmful effect on the public and consist in wrongdoing that seriously endangers and threatens the well-being of the society and it is not safe to leave the crime-doer only because he and the victim have settled the dispute amicably or that the victim has been paid compensation, yet certain crimes have been made compoundable in law, with or without the permission of the court. In respect of serious offences like murder, rape, dacoity, etc., or other offences of mental depravity under IPC or offences of moral turpitude under special statutes, like the Prevention of Corruption Act or the offences committed by public servants while working in that capacity, the settlement between the offender and the victim can have no legal sanction at all. However,

¹ (2012) 10 SCC 303.



certain offences which overwhelmingly and predominantly bear civil flavour having arisen out of civil, mercantile, commercial, financial, partnership or such like transactions or the offences arising out of matrimony, particularly relating to dowry, etc. or the family dispute, where the wrong is basically to the victim and the offender and the victim have settled all disputes between them amicably, irrespective of the fact that such offences have not been made compoundable, the High Court may within the framework of its inherent power, quash the criminal proceeding or criminal complaint or FIR if it is satisfied that on the face of such settlement, there is hardly any likelihood of the offender being convicted and by not quashing the criminal proceedings, justice shall be casualty and ends of justice shall be defeated. The above list is illustrative and not exhaustive. Each case will depend on its own facts and no hard-and-fast category can be prescribed.”²

Further, in *Narinder Singh & Ors. v. State of Punjab & Anr.*³, the Supreme Court has also laid down guidelines for High Courts while accepting settlement deeds between parties and quashing the proceedings.

The relevant observations in the said decision read as under:

“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

² Emphasis supplied.

³ (2014) 6 SCC 466.



(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 him by not quashing the criminal cases.”⁴

9. In the present case, the offences alleged in the FIR arise from corporate misconduct by petitioner No. 1 and certain family members, involving misuse of the complainant company’s payment platform to obtain refunds without returning the goods. The dispute is confined to internal commercial dealings and does not involve any element of heinous criminality. I do not discern any supervening public interest in taking the matter to a logical conclusion. The parties have voluntarily settled the matter, and the full settlement amount has been received by respondent No. 2. An affidavit has also been placed on record by the

⁴ Emphasis supplied.



authorized representative of respondent No. 2 – company, affirming that respondent No. 2 has no objection to the quashing of the subject FIR. In these circumstances, the continuation of the criminal proceedings would serve no practical purpose and would only burden the judicial system unnecessarily. There is, accordingly, no impediment to the grant of the relief sought, and the FIR, alongwith all proceedings arising therefrom, is fit to be quashed.

10. Having regard to the above discussion, the petition is allowed. FIR No. 21/2026 dated 14.01.2026, registered at Police Station Dwarka North, under Sections 318(4)/316(2)/3(5) of BNS, alongwith all proceedings arising therefrom, is hereby quashed.

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

12. The petition accordingly stands disposed of.

PRATEEK JALAN, J

FEBRUARY 19, 2026

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