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

+ CRL.M.C. 1806/2026

ARJUN ARORA & ANR.

.....Petitioner

Through: Mr. Raunaq Dalal & Ms. Stuti Wason, Advocates alongwith Petitioners in Person.

versus

THE STATE (GOVT. OF NCT OF DELHI) & ANR.

.....Respondent

Through: Ms. Manjeet Arya, APP with Mr. Abhimanyu Arya, APP
Insp. Surendra Sharma, PS Jagat Puri
Mr. Nilesh Deep & Mr. Ashish Choudhary, Advocates for R-2 alongwith R-2 in Person (VC)

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

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14.05.2026

CRL.M.A. 12769/2026 (for early hearing)

1. This is an application filed by the petitioners seeking early hearing of the captioned petition.
2. For the reasons stated in the application, it is allowed and the petition is taken up on Board, with the consent of learned counsel for the respondents.
3. The application stands disposed of.

CRL.M.C. 1806/2026

4. The petitioner has 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. 5/2026, dated 06.01.2026, registered under Sections 420/406/120B/506/34 of the Indian Penal Code, 1860, ["IPC"] at Police Station Krishna Nagar, Delhi, and all consequential proceedings emanating therefrom, on the ground of settlement.

5. Pursuant to notice being issued on 12.03.2026, Mr. Nilesh Deep, learned counsel for respondent No. 2, enters appearance.

6. The petitioners are present in person and are identified by their learned counsel, as well as by the Investigating Officer ["IO"]. Respondent No. 2 is also present in person, and has been identified by his learned counsel and the IO.

7. The impugned FIR was lodged at the instance of respondent No. 2 against the petitioners. The facts, as emerging therefrom, are that respondent No. 2 stated that he had engaged the petitioners for construction and interior work at two-three sites and paid them approximately Rs. 50 lakhs in advance for completion of the work. It was alleged that despite taking substantial advance amounts, the petitioners failed to complete the work, leaving nearly 25% of one site incomplete. It was also alleged that respondent No. 2 owned the premises where the petitioners were running their office and that rent for the said premises had remained unpaid for approximately 2.5 years. When he demanded completion of work or the outstanding rent, the petitioners allegedly misbehaved with him and his wife.

8. During the pendency of the investigation, the parties have settled their disputes amicably, as recorded in a Memorandum of Settlement dated 13.02.2026. The settlement records that the rent agreement between



the parties stands terminated, and the outstanding amount towards has been paid by the petitioners to respondent No. 2.

9. Learned counsel for the parties also confirm that the settlement has been entered into voluntarily and without any coercion or undue pressure.

10. In light of the aforesaid, the parties seek quashing of the impugned FIR.

11. The Supreme Court has clearly held that, in certain circumstances, the High Courts, in exercise of their powers under Section 482 of the CrPC [corresponding to Section 528 of the BNSS], can quash criminal proceedings, even with respect to non-compoundable offences, on the ground that there is a compromise between the accused and the complainant, especially when no overarching public interest is adversely affected. Reference in this connection can be made to the judgment in *Gian Singh v. State of Punjab and Anr.*¹, which held 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

¹ (2012) 10 SCC 303.



sanction at all. However, 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 and Ors. v. State of Punjab and 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

(ii) to prevent abuse of the process of any court.

While exercising the power the High Court is to form an opinion on

² Emphasis supplied.

³ (2014) 6 SCC 466.



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

12. The present case emanates from non-payment of rent and a commercial transaction relating delay in completion of work, which has since been resolved amicably between the parties upon clearing of outstanding dues. The dispute, in substance, bears a predominantly civil and financial character, without any overriding element of public interest or grave criminality. In these circumstances, this Court is of the view that it would be appropriate to exercise its inherent jurisdiction under Section 528 of the BNSS. Respondent No. 2 has unequivocally affirmed the settlement and the voluntary nature of the compromise, and there appears to be no likelihood of a successful prosecution. Continuation of the criminal proceedings pursuant to the impugned FIR would, therefore, amount to an unnecessary burden on judicial resources and would defeat the ends of justice.

⁴ Emphasis supplied.



13. Having regard to the above discussion, the petition is allowed, and FIR No. 5/2026, dated 06.01.2026, registered under Sections 420/406/120B/506/34 of IPC, alongwith all consequential proceedings arising therefrom, is hereby quashed.
14. The parties shall remain bound by the terms of the settlement.
15. The petition, accordingly, stands disposed of.
16. The next date of hearing already fixed, i.e. 13.07.2026, stands cancelled.

PRATEEK JALAN, J

MAY 14, 2026
'pv'/AD/