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

+ **CRL.M.C. 3210/2026**

HYLINE LOGISTICS PVT LTD AND ORSPetitioners

Through: Ms. Ritu Gupta, Mr. Ashish Kumar, Advocates with petitioner No.2 and 3 in person.

versus

THE STATE NCT OF DELHI AND ORSRespondents

Through: Mr. Yudhvir Singh Chauhan, APP with SI Anupam.

Mr. Shraman Sinha, Mr. Rishi Raj Ojha, Advocates for R 2, 3, 4 along with the said R- 2, 3, &4 in person

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

% **27.04.2026**

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. 393/2022 dated 30.04.2022, registered under Sections 420/34 of the Indian Penal Code, 1860, ["IPC"] at P.S. Seemapuri, District Shahdara, Delhi, and all consequential proceedings emanating therefrom, on the ground of settlement.

2. Issue notice. Mr. Yudhvir Singh Chauhan, learned Additional Public Prosecutor, accepts notice on behalf of the State. Mr. Shraman Sinha, learned counsel, accepts notice on behalf of respondents Nos. 2, 3, and 4.



3. With the consent of learned counsel for the parties, the petition is taken up for disposal.
4. The complainants are the wife and children of Late Trilochan Singh Vohra, who was a Director and shareholder in the petitioner No. 1 Company ["Company"]. Petitioner No. 2 is at present one of the Directors and shareholders of the Company, whereas petitioner No. 3 was a Director and shareholder till 01.04.2024.
5. The prosecution case, emerging from the subject FIR, is as follows:
 - a) The deceased held 24.5% shareholding in the Company, and owned a residential property in Gurugram;
 - b) Petitioner Nos. 2 and 3 allegedly took control of the Company after the demise of the deceased in 2020;
 - c) The complainants applied on 08.07.2021 for transmission of shares in their favour, but the petitioners failed to process or respond;
 - d) The petitioners allegedly illegally withheld the share transfer, preventing the complainants from exercising shareholder rights and participating in the affairs of the Company;
 - e) The dividends payable in respect of the shares were misappropriated;
 - f) The complainants allege that the accused manipulated accounts by showing fictitious expenses, suppressing profits, and syphoning funds for personal use. An internal email and financial records indicate unaccounted cash transactions and possible money laundering, including entries of large, unexplained amounts;
 - g) The petitioners also allegedly failed to repay a loan of Rs. 18,96,000/- taken from the deceased;



- h) After the death of the deceased, petitioner No. 2 allegedly threatened the complainants to renew a mortgage/Overdraft facility and claimed influence over bank officials of ICICI Bank to withhold the Gurugram property title deed;
- i) Bank officials (who have also been named in the complaint) allegedly colluded with the petitioners and retained the title deed, thereby preventing the complainants from mutating or otherwise dealing with the property;
6. I am informed that no chargesheet has been filed till date.
7. During the pendency of the investigation, the parties entered into a settlement with an aim to put a quietus to the ongoing disputes. The settlement was recorded in the Court of District Judge, Commercial Court, Shahdara District, Karkardooma Courts, on 20.11.2025. The settlement contemplates a payment of Rs. 23,00,000/- to respondent No. 2 in full and final settlement of all claims of respondents Nos. 2 to 4. The petitioners also agreed to instruct ICICI Bank to return the original title deeds of the said property. The parties agreed to withdraw/quash all pending litigation between them.
8. Petitioners Nos. 2 and 3 are present in person and are identified by their counsel, as well as by the Investigating Officer ["IO"]. Respondent Nos. 2 - 4 are present in Court, and have been identified by their counsel and the IO.
9. Learned counsel for the parties confirm that the settlement has been entered into voluntarily and without any coercion or undue pressure.
10. The Supreme Court has clearly held that, in certain circumstances, the High Courts, in exercise of their powers under Section 528 of the



BNSS [corresponding to Section 482 of the CrPC], 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 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*

¹ (2012) 10 SCC 303.



its own facts and no hard-and-fast category can be prescribed.

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61. The position that emerges from the above discussion can be summarised thus: the power of the High Court in quashing a criminal proceeding or FIR or complaint in exercise of its inherent jurisdiction is distinct and different from the power given to a criminal court for compounding the offences under Section 320 of the Code. Inherent power is of wide plenitude with no statutory limitation but it has to be exercised in accord with the guideline engrafted in such power viz. : (i) to secure the ends of justice, or (ii) to prevent abuse of the process of any court. In what cases power to quash the criminal proceeding or complaint or FIR may be exercised where the offender and the victim have settled their dispute would depend on the facts and circumstances of each case and no category can be prescribed. However, before exercise of such power, the High Court must have due regard to the nature and gravity of the crime. Heinous and serious offences of mental depravity or offences like murder, rape, dacoity, etc. cannot be fittingly quashed even though the victim or victim's family and the offender have settled the dispute. Such offences are not private in nature and have a serious impact on society. Similarly, any compromise between the victim and the offender in relation to the offences under special statutes like the Prevention of Corruption Act or the offences committed by public servants while working in that capacity, etc.; cannot provide for any basis for quashing criminal proceedings involving such offences. But the criminal cases having overwhelmingly and predominatingly civil flavour stand on a different footing for the purposes of quashing, particularly the offences arising from commercial, financial, mercantile, civil, partnership or such like transactions or the offences arising out of matrimony relating to dowry, etc. or the family disputes where the wrong is basically private or personal in nature and the parties have resolved their entire dispute. In this category of cases, the High Court may quash the criminal proceedings if in its view, because of the compromise between the offender and the victim, the possibility of conviction is remote and bleak and continuation of the criminal case would put the accused to great oppression and prejudice and extreme injustice would be caused to him by not quashing the criminal case despite full and complete settlement and compromise with the victim. In other words, the High Court must consider whether it would be unfair or contrary to the interest of justice to continue with the criminal proceeding or continuation of the criminal proceeding would tantamount to abuse of process of law despite settlement and compromise between the victim and the wrongdoer and whether to secure the ends of justice, it is appropriate that the criminal case is put to an end and if the



answer to the above question(s) is in the affirmative, the High Court shall be well within its jurisdiction to quash the criminal proceeding²

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 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

² Emphasis supplied.

³ (2014) 6 SCC 466.



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*

11. The present case arises out of disputes pertaining to shareholding, transmission of shares, and alleged financial improprieties within a Company, alongwith claims relating to a loan transaction and retention of title documents of a property. The underlying dispute is essentially private in nature, emanating from *inter se* disagreements between the parties, without any element of grave criminality or overriding public interest, which requires the proceedings to be taken to their logical conclusion. It is also a matter of record that the parties have since amicably resolved their disputes, and Respondent Nos. 2-4 have, of their own volition, affirmed the settlement. In such circumstances, the likelihood of the proceedings culminating in a conviction appears remote, and their continuation would serve no useful purpose, except to burden the criminal justice system and result in an unnecessary expenditure of judicial time and resources.

12. The settlement contemplates payment of Rs. 23,00,000/- to respondent No. 2. Respondent No. 2 is present in Court and affirms that the entire settlement amount has been received by her. ICICI Bank has also returned the original title deed of the property to respondent No. 2. There is therefore no impediment to the grant of the relief sought.

13. Having regard to the above, the petition is allowed, and FIR No.

⁴ Emphasis supplied.



393/2022 dated 30.04.2022, registered under Sections 420/34 of the IPC at P.S. Seemapuri, District Shahdara, Delhi, alongwith all consequential proceedings arising therefrom, is hereby quashed.

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

15. The petition, alongwith pending application, accordingly, stands disposed of.

PRATEEK JALAN, J

APRIL 27, 2026
SS/JM/