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

+ **CRL.M.C. 3664/2026 & CRL.M.A. 14883/2026**

MOHSIN SHARIF

.....Petitioner

Through: Mr. Syd Mehdi Hussain, Mr.
Sachin Jangir, Mr. Dipesh
Choudhary, Advocates.

versus

**THE STATE GOVERNMENT OF NCT OF DELHI
& ORS.**

.....Respondents

Through: Mr. Yudhvir Singh Chauhan, APP.
Insp. G.N. Tiwari, PS-EoW.
Ms. Neha Rai, Advocate for R-3.

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

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12.05.2026

1. The petitioner has filed this petition under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023, seeking quashing of FIR No. 90/2012, dated 27.07.2021, registered under Sections 406/420/120B of the Indian Penal Code, 1860, ["IPC"] at P.S. Economic Offence Wing ["EOW"], 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. Ms. Neha Rai, learned counsel, accepts notice on behalf of respondent No. 3.
3. The petitioner is present in Court, and is identified by his learned counsel and the Investigating Officer ["IO"]. Mr. Vijay Kher, who is the



Authorised Representative of respondent No. 3, is present by video conference and is identified by the learned counsel and the IO. Mr. Kher is the signatory of the settlement, and has also affirmed the No-Objection affidavit, the Board Resolution of the complainant-Company authorising Mr. Kher has been handed up in Court and is taken on record.

4. With the consent of learned counsel for the parties, the petition is taken up for hearing.

5. The impugned FIR was registered on the complaint of a Director of respondent No. 3, filed before the EOW, Delhi, against Paramount Construction Company and its partners. Respondent No. 3 alleged that the accused persons, acting in conspiracy, induced the complainant companies to purchase lands situated at Sonnappanahalli Village, Bangalore North Taluk, by falsely representing that the properties were suitable for hotel construction. Believing these representations, the complainant companies entered into multiple Memorandum of Understandings [“MoU”] and Agreement to Sell. Respondent No. 3 paid a total advance amount of approximately Rs. 4.25 crores to the accused persons. Later, upon inquiry, respondent No. 3 allegedly discovered that the lands were agricultural lands not suitable for hotel construction, and conversion to non-agricultural use was either impossible or restricted. Subsequently, the agreements were terminated and the accused allegedly acknowledged their liability and promised repayment. To secure repayment, several cheques were issued by the accused persons towards principal and interest amounts. However, when presented for encashment, multiple cheques were dishonoured due to “Funds Insufficient”.

6. A charge sheet has also been filed against Paramount Construction



Company and the petitioner herein.

7. During the pendency of the proceedings, the parties have settled their disputes amicably, as recorded in a Memorandum of Understanding dated 20.01.2026, whereby all disputes arising out of the impugned FIR stand resolved. In terms of the said settlement, petitioner has agreed to pay a sum of Rs.1,50,00,000/- to the respondent No. 3.

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

9. In view of the aforesaid, the parties seek quashing of the impugned FIR.

10. The Supreme Court has clearly held that, in certain circumstances, the High Courts, in exercise of their inherent powers under Section 528 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*

¹ (2012) 10 SCC 303.



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 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

² Emphasis supplied.

³ (2014) 6 SCC 466.



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 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 alleged false representation with regard to the nature of properties and dishonor of cheques. The dispute is essentially of a private and financial nature, and does not involve any element of grave criminality or overriding public interest. The parties have since amicably resolved their disputes, as recorded in the MoU dated 20.01.2026, and respondent No. 3 has unequivocally affirmed the voluntary nature of the settlement. In these circumstances, the criminal proceedings are unlikely to result in conviction, and its continuation would be an empty formality, adding to the burden of the justice system

⁴ Emphasis supplied.



and consuming public resources unnecessarily.

12. The settlement contemplates a payment of Rs. 1,50,00,000/- to respondent No. 3, as recorded above, which already stands paid. There is therefore no impediment in granting the relief sought.

13. The proceedings having been commenced in 2012, I accept Mr. Chauhan's suggestion that an order of costs be imposed on the petitioners, considering the time and resources of the State, expended in these proceedings. The petitioner is therefore directed to deposit costs of Rs. 25,000/- with the Delhi High Court Bar Association Costs Account [A/C No. 15530110179338; IFSC Code: UCBA0001553; UCO Bank, Delhi High Court Branch] within two weeks from today.

14. In view of the above, the petition is allowed, and FIR No. 90/2012, dated 27.07.20212, registered under Sections 406/420/120B of IPC at EOW, Delhi, alongwith all consequential proceedings arising therefrom, is hereby quashed.

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

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

PRATEEK JALAN, J

MAY 12, 2026
'B'/AD/