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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **CRL.M.C. 4314/2026**

SHRI VIJAY KUMAR

.....Petitioner

Through: Mr. Abhinav Tyagi and Mr. Rahul
Pawar, Advocates with the
petitioner in person.

versus

THE STATE NCT OF DELHI & ANR.

.....Respondents

Through: Mr. Yudhvir Singh Chauhan, APP
with SI Harish Kumar, PS Amar
Colony

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

% **29.05.2026**

1. The petitioner has filed this petition under Section 528 of the Bharatiya Nagarik Suraksha Sanhita (corresponding to Section 482 of the Code of Criminal Procedure, 1973 ["CrPC"]), seeking quashing of FIR No. 281/2016 dated 30.04.2016, registered under Sections 420/406 of the Indian Penal Code, 1860, ["IPC"] at Police Station Amar Colony, District South-East Delhi, and all consequential proceedings emanating therefrom, on the ground of settlement.
2. Issue notice. Mr. Yudhvir Singh Chauhan, learned Additional Standing Counsel (Criminal), accepts notice on behalf of the State. Respondent No. 2 is present through videoconference and declines assistance of counsel.
3. The petitioner is present through videoconference and is identified by his learned counsel, as well as by the Investigating Officer ["IO"]. Respondent No. 2 has been identified by the IO.
4. With the consent of learned counsel for the parties, the petition is



taken up for hearing.

5. The impugned FIR was registered at the instance of respondent No. 2. Respondent No. 2 stated that he and the petitioner were friends and the petitioner had shared information about certain financial difficulties with him. Between January 2013 and December 2014, respondent No. 2 advanced certain friendly loans to the petitioner. Although the petitioner issued cheques in February 2015 towards repayment of the loans, those were not honoured due to the account being closed. Ultimately respondent No. 2 issued legal notice under Section 138 of the Negotiable Instruments Act, 1881, against the petitioner and also alleged commission of offences under Sections 420 and 406 of the IPC. The disputes were earlier settled, but respondent No. 2 ultimately approached the Magistrates' Court under Section 156(3) of the CrPC for registration of FIR, as the settlement did not fructify.

6. In the course of criminal proceedings, the petitioner was declared as proclaimed offender by order dated 16.12.2017. The order was stayed by the Revisional Court on 11.01.2018, but the revision petition was ultimately dismissed for non-prosecution on 02.06.2022. The petitioner was granted bail by the learned Trial Court *vide* order dated 12.07.2023.

7. During the pendency of proceedings, the parties entered into a Settlement Agreement dated 11.06.2024. The settlement records that all disputes arising out of the subject FIR would stand resolved upon payment of a consolidated amount of Rs. 6,00,000/- by the petitioner to respondent No.2. Rs. 1,00,000/- was given at the time of entering into the settlement, and the remaining Rs. 5,00,000/- was to be paid in a period of 15 months by way of post-dated cheques.

8. The settlement was placed before the Trial Court, as recorded in



orders dated 18.09.2024, 09.05.2025 and 25.09.2025. The order dated 25.09.2025 records that respondent No.2 had received the entire settlement amount and that the parties intended to file a quashing petition before this Court.

9. In view of the aforesaid, the parties jointly pray for quashing of the impugned FIR.

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

11. It is well settled that, even in respect of non-compoundable offences, the High Court may, in appropriate cases, exercise its inherent jurisdiction to quash criminal proceedings on the basis of a settlement between the parties. In *Gian Singh v. State of Punjab and Anr.*¹, the Supreme Court 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.*

¹ (2012) 10 SCC 303.



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 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

² Emphasis supplied.

³ (2014) 6 SCC 466.



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 arises out of a private financial dispute between the petitioner and respondent No.2, who were known to each other. The parties have amicably resolved all their disputes, and respondent No.2 has affirmed before this Court that the settlement has been entered into voluntarily and that he has no objection to the quashing of the FIR. The entire settlement amount has also been paid. In the facts and circumstances of the case, the possibility of conviction appears remote, and continuation of the criminal proceedings would serve no useful purpose.

13. Mr. Chauhan points out that Section 174A of the IPC was also added in the chargesheet on account of the petitioner having been declared a proclaimed offender. However, the proclamation order was subsequently stayed by the Revisional Court, and the petitioner thereafter appeared before the Trial Court and was admitted to bail. Having regard to the overall facts and circumstances of the case, this Court is of the view that no useful purpose would be served by permitting the proceedings under Section 174A to continue independently. Accordingly,

⁴ Emphasis supplied.



the proceedings arising therefrom also deserve to be quashed.

14. Having regard to the amicable settlement arrived at between the parties, and the discussion hereinabove, the petition is allowed, and FIR No. 281/2016 dated 30.04.2016, registered under Sections 406/420 of the IPC at Police Station Amar Colony, alongwith all consequential proceedings arising therefrom, is hereby quashed.

15. However, in view of the public resources spent in investigating and prosecuting this FIR for the last 10 years, the petitioner will deposit costs of Rs.25,000/- with the Delhi High Court Bar Association Cost Account [A/C No.15530110179338; IFSC No. UCBA0001553; UCO Bank, Delhi High Court Branch] within a period of two weeks from today. An affidavit of compliance be filed within one week thereafter.

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

17. The petition, accordingly, stands disposed of.

PRATEEK JALAN, J

MAY 29, 2026

'sv/JM'/