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

% ***Date of Decision : 03.11.2026***

\# **CNR No.DLHC010529412026**

\+ **W.P.(CRL) 3436/2026, CRL.M.A. 34508/2026**

SIDDARTH SHARMA .....Petitioner

Through: Mr. Giriraj Subramanium, Mr. Aadhyaa Khanna and Ms. Miheeka Kapur, Advs.

versus

STATE NCT OF DELHI THROUGH EOW & ANR.....Respondents

Through: Mr. Amol Sinha, ASC, Mr. Kshitiz Garg, Mr. Ashvini Kumar, Mr. Nitish Dhawan and Mr. Gourav Singh, Advs. for State.
SI Naveen Kumar, PS EOW
Mr. Amit Prasad, Sr. Adv., Mr. Yudhister Singh and Mr. Saud Khan, Advs. for R-2.

CORAM:
HON'BLE MR. JUSTICE SACHIN DATTA

SACHIN DATTA, J. (*ORAL*)

1. By way of the present petition filed under Article 226 of the Constitution read with Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (*pari materia* to Section 482 of the Code of Criminal Procedure, 1973), the petitioner seeks quashing of FIR No. 181/2025, dated 19.12.2025, registered at P.S. Economic Offences Wing, Delhi, under Sections 420/406 of the Indian Penal Code, 1860 (hereinafter "*IPC*"), and all the proceedings emanating therefrom, on the basis of a Settlement Agreement, dated 17.08.2026, entered into between the petitioner and respondent no. 2. The same has been appended as Annexure P-2 to the present

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petition.

2. It is alleged in the aforesaid FIR that, in 2007, the petitioner misrepresented himself as a real estate development consultant and land aggregator, and received a sum of Rs. 4,55,60,000 from the respondent no. 2 for purchasing agricultural land in Shimla District, Himachal Pradesh, which was to be transferred to the respondent no. 2 upon obtaining permission under Section 118 of the Himachal Pradesh Tenancy and Land Reforms Act, 1972. Out of the said amount, the petitioner refunded only Rs. 48,72,460 and allegedly retained Rs. 4,06,87,540. Thereafter, an Agreement to Sell dated 04.05.2009 was executed in respect of land situated at Sub-Tehsil Junga, Shimla (hereinafter "*Junga Land*"), and possession thereof was delivered to the respondent no. 2. However, the requisite permission was never applied for, and the sale deed was never executed.

3. The aforesaid Settlement Agreement requires the petitioner (first party therein) to undertake the following obligations:

> i) The First Party hereby confirms the execution of an Irrevocable Special Power of Attorney in favor of the Attorney to deal with, manage, and complete the formal conveyance of the Tutikandi Land to the Third Party or its nominees.
>
> ii) The First Party hereby confirms the execution of an Irrevocable Special Power of Attorney in favor of the Attorney to deal with, manage, and complete the formal conveyance of the Junga Land to the Second Party or its nominees.
>
> iii) That the sum of Rs. 4,06,87,540/- which has been received by the First Party shall be treated as the consideration for Junga Land which has already been paid by the Second Party to the First Party and the First Party shall not be entitled to receive any further or additional consideration over and above the sum of Rs. 4,06,87,540/ which for the avoidance of all doubt already stands received.

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iv) That the sum of Rs. 2,62,50,000/- which has been received by the First Party shall be treated as the consideration for Tutikandi Land which has already been paid by the Third Party to the First Party and the First Party shall not be entitled to receive any further or additional consideration over and above the sum of 2,62,50,000/- which for the avoidance of all doubt already stands received.

For SPHERICAL REALTORS PRIVATE LIMITED

For ECRU BUILDERS PRIVATE LIMITED

v) Concurrently with the execution of this Agreement, the First Party confirms that it has already handed over the physical, original registered title deeds to the Second Party and Third Party, and is not in possession of any physical, original registered title deeds with respect to any of the said lands.

vi) The First Party through his Attorney shall execute requisite title transfer documents including Sale Deeds in favour of the Second Party and Third Party or their nominee with respect to the Junga Land and Tutikandi Land within 3 months of the execution of the present Agreement. The consideration amounts mentioned in the respective Sale Deeds shall correspond to the consideration amounts mentioned in the respective Agreements to Sell of the Junga and Tutikandi Land.

vii) The execution of the requisite title transfer documents including Sale Deeds in favour of the Second Party and Third Party with respect to the Junga Land and Tutikandi Land respectively shall remain the sole responsibility of the Attorney. No action shall lie against the First Party for the same.

4. It is stated that the petitioner (first party therein) has handed over the original title documents and executed an Irrevocable Special Power of Attorney (SPA) in favour of Mr. Kashmir Singh to execute the sale deed. The sum alleged to be retained by the petitioner, *i.e.*, Rs. 4,06,87,540, is considered as consideration towards the purchase of Junga Land. In view of this understanding, the Settlement Agreement records as under:

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i) Upon execution of this Settlement Agreement in the manner set out herein, the Second Party and Third Party, for itself and on behalf of its affiliates, representatives, successors and assigns, hereby absolutely, irrevocably and unconditionally releases, waives, acquits and forever discharges the First Party and each of its past, present and future affiliates, group companies, shareholders, directors, officers, employees, representatives, consultants, business partners, agents, attorneys, successors, assigns and any other person claiming through or under them (collectively, the "**Released Parties**"), from any and all past, present or future claims, demands, suits, causes of action, proceedings (whether civil, criminal, regulatory or otherwise), damages, losses, liabilities, penalties, fines, costs, charges or expenses of any kind or nature whatsoever, whether known or unknown, whether arising in law or equity, and whether or not relating to any other party (collectively, "**Claims**"), which the Second and/or Third Party ever had, now has, or hereafter may have against the Released Parties (including without limitation any Claim(s) arising out of, relating to, or in connection with (a)

For SPIRITUAL REALTORS PRIVATE LIMITED For ECRU BUILDERS PRIVATE LI

the subject matter of this Settlement Agreement; and/or (b) any contract, understanding, transaction, commitment, event, act, omission, representation, warranty, agreement, understanding or relationship existing or occurring at any time prior to the execution of this Settlement Agreement).

ii) Without prejudice to the specific obligations of the Second Party under this Agreement, the Second Party further covenants and undertakes to take all necessary steps to irrevocably withdraw and/or cause to be withdrawn and discontinued all complaints, and legal proceedings, filed or initiated by the Second Party or on its behalf against any of the Released Parties in respect of any of the matters described above.

iii) The Second and/or Third Party shall not directly or indirectly initiate, pursue, continue, aide or maintain any claim, complaint, legal proceeding or dispute (including through any third party or authority) against any of the Released Parties in respect of the matters so released.

iv) This clause shall constitute a full, final and complete settlement and release of all disputes, claims and liabilities between the Parties with respect to all matters described herein.

5. It is also taken note that the Settlement Agreement also covers another parcel of land situated at Mauja Dhar, Tutikandi, Shimla, which was the

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subject of a separate Agreement to Sell dated 11.05.2009 with M/s Ecru Builders Pvt. Ltd. (third party therein). The same is not the subject matter of the aforesaid FIR.

6. The learned counsel for the petitioner and the respondent no. 2 submit that all disputes between the parties stand resolved by way of the Settlement Agreement. The petitioner, who has joined the proceedings virtually, and the respondent no.2, who is present in Court, affirm the factum of the settlement. The said petitioner and the respondent no. 2 have been duly identified by the Investigating Officer (IO), who is present in Court.

7. Learned ASC submits that the dispute between the parties is purely commercial and stands resolved, and there is no impediment to quashing the FIR on the basis of the *inter se* settlement.

8. In ***Gian Singh v. State of Punjab,* (2012) 10 SCC 303**, a three-Judge Bench of the Supreme Court has observed as under:

> *"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.*** *…* ***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***

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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.*

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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****. … 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. … **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 proceeding***."

(emphasis supplied)

9. The principles were thereafter crystallised in ***Narinder Singh v. State of Punjab,* (2014) 6 SCC 466**. In paragraph 29, the Supreme Court observed as under:

"*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*

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aforesaid two objectives.

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29.4. ***On the other, those criminal cases having overwhelmingly and pre-dominantly 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.****"*

(emphasis supplied)

10. In ***Ramgopal v. State of Madhya Pradesh*****, (2022) 14 SCC 531,** it was observed as under:

"*19. We thus sum up and hold that as opposed to Section 320 CrPC where the Court is squarely guided by the compromise between the parties in respect of offences "compoundable" within the statutory framework, the extraordinary power enjoined upon a High Court under Section 482 CrPC or vested in this Court under Article 142 of the Constitution, can be invoked beyond the metes and bounds of Section 320 CrPC. Nonetheless, we reiterate that such powers of wide amplitude ought to be exercised carefully in the context of quashing criminal proceedings, bearing in mind:*

19.1. Nature and effect of the offence on the conscience of the society;

19.2. Seriousness of the injury, if any;

19.3 Voluntary nature of compromise between the accused and the victim; and

19.4 Conduct of the accused persons, prior to and after the occurrence of the purported offence and/or other relevant considerations.*"*

(emphasis supplied)

11. A Coordinate Bench of this Court, in ***Reverend Rockes Barnabass Sandhu v. Govt. of NCT of Delhi,*** **2026:DHC:5932**, while dealing with

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allegations of a commercial nature, quashed an FIR under Sections 420 and 406 of the IPC, after taking note of the fact that these offences are compoundable in nature.

12. In the circumstances, as jointly prayed, FIR No. 181/2025, dated 19.12.2025, registered at P.S. Economic Offences Wing, Delhi, under Sections 420/406 of the Indian Penal Code, 1860, and all the proceedings emanating therefrom, stand quashed.

13. The parties are held bound down to the Settlement Agreement dated 17.08.2026.

14. It is noticed that the petitioner, in paragraphs 19 and 20 of the petition, avers and undertakes as under:

> "*19. That in furtherance of the foregoing, the Petitioner by way of the settlement agreement has agreed to transfer the land parcels in favor of Respondent No. 2 company, thereby putting a complete quietus to the dispute forming part of the impugned FIR. Further, the Petitioner submits that he has already handed over the physical and original title deeds of the subject property to Respondent No. 2. However, the execution of formal title transfer documents, including the Sale Deed, in favour of Respondent No.2 remains pending. For this purpose, at the request of the Respondent No. 2 Company, the Petitioner has executed a Special Power of Attorney (SPA) dated 17.08.2026 duly apostilled on 28th September 2026 by the Secretary/Deputy of State of North Carolina, USA that he will hand over to Respondent No.2 at the time of hearing of this Joint Quashing Petition. That in the event that the title transfer cannot be completed through the mechanism of the said executed and duly apostilled SPA, solely for want of presence of the Petitioner, the Petitioner hereby undertakes to personally appear before the concerned Sub- Registrar where the land is so situated and execute the necessary title transfer documents in favour of Respondent No. 2. That the Respondent No. 2 shall give an advance notice of sixty (60) days to the Petitioner to make himself available before the concerned Sub-Registrar for the said purpose. That the Petitioner shall make himself available in India for a period of 10 (Ten) business days to complete the formalities with respect to the title transfer if required, and not thereafter.*

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20. That In the event that the land cannot be transferred solely on the basis of the SPA dated 17.08.2026 being rejected by the concerned Sub-Registrar for want of the presence of the Petitioner, and the Petitioner does not make himself personally available despite Respondent No.2's clear advance notice of sixty (60) days to the Petitioner to personally appear and be present before the concerned Sub-Registrar where the land is so situated to necessitate the transfer, then Respondent No. 2 shall be at liberty to restore this very Crl M.C No. 2191 of 2026 to its original position/ number."

15. The petitioner shall remain bound by the aforesaid undertaking.

16. It is made clear that this Court has not examined the legality of the proposed transfer, including any requirement/permission required under Section 118 of the Himachal Pradesh Tenancy and Land Reforms Act, 1972 and/or any other local law. The parties shall necessarily comply with the applicable local laws.

17. Since considerable State resources have been consumed on account of registration of the subject FIR, the petitioner and the respondent no. 2 agree to pay costs of Rs.25,000 each to the Delhi High Court Legal Services Committee (DHCLSC).

18. It is agreed that the costs will be deposited within a period of four weeks from today. Let proof of deposit of costs be filed in the registry of this Court.

19. The petition, along with the pending application, stands disposed of in the above terms.

SACHIN DATTA, J

NOVEMBER 3, 2026/cl/vk

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