



\$~16

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

+ **CRL.M.C. 6082/2025 & CRL.M.A. 25886/2025**

AMIT CHOUVISIYA & ANR.

.....Petitioners

Through: Mr. Abhinav Garg, Mr. Narendra Singh & Mr. Mayur S. Solanki,
Advocates alongwith Petitioners in
Person.

versus

STATE GOVT OF NCT OF DELHI & ANR.

.....Respondents

Through: Mr. Hitesh Vali, APP for the State
with SI Sanjeev Lehr & ASI Pappu
Ram, PS Cyber SED
Respondent No. 2 in Person.

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

%

04.02.2026

1. The present petition has been filed 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. 71/2022 dated 22.06.2022, registered at Police Station Cyber Police Station, South East, Delhi, for offences punishable under Sections 420 of the Indian Penal Code, 1860 ["IPC"], together with all proceedings arising therefrom, on the ground that the disputes between the parties have been amicably settled.

2. Issue notice. Mr. Hitesh Vali, learned Additional Public Prosecutor, accepts notice on behalf of the State. Respondent No. 2 is present through video conferencing and states that he does not require the



assistance of counsel.

3. The impugned FIR was registered at the instance of respondent No. 2 pursuant to an online complaint dated 05.03.2022 lodged on the National Cyber Crime Reporting Portal, alleging cheating and fraud in the guise of stock market advisory services. It was alleged that respondent No. 2 was induced by petitioner No. 2 herein and one Yash Raj Chauhan, stated to be operating a non-SEBI registered entity under the name “*Capitalbase*” in Indore, Madhya Pradesh, to undertake online trading through mobile communications, as a result of which respondent No.2 suffered losses amounting to approximately Rs. 5,35,000/- in a single day.

4. It was further alleged that, in the name of repayment of the said losses, respondent No. 2 was induced to transfer an additional sum of Rs. 2,20,000/- on 03.03.2022 through online transactions from his bank account, upon assurances that an amount of Rs. 6,12,000/- would be repaid, which, according to respondent No.2, was never honoured. During the course of investigation, it was further disclosed that petitioner No.1 herein had obtained the said bank account from petitioner No.2 and had used the same in connection with the aforesaid transaction of Rs.2,20,000/-.

5. It may be noted that the charge sheet in the present proceedings has not yet been filed. During the pendency of the proceedings, the parties entered into a settlement, which has been recorded in the affidavit dated 03.06.2025. The said affidavit further categorically affirms that respondent No. 2 has received the entire amount as stated in his complaint, and that no grievance of any nature whatsoever survives



against the petitioners.

6. The petitioners are present and is identified by learned counsel and the Investigating Officer. Respondent No. 2 is also present through video conferencing and is identified by the Investigating Officer.

7. Respondent No. 2 has categorically stated before this Court, of his own free will and without any pressure or coercion, that he does not wish to pursue the criminal proceedings arising out of the impugned FIR any further.

8. In view of the above, and in light of the full and final settlement reached between the parties, both the petitioners and respondent No. 2 seek quashing of the subject FIR, alongwith the proceedings emanating therefrom.

9. The Supreme Court has consistently held that, in appropriate cases, High Courts, in exercise of their powers under Section 528 of the BNSS (corresponding to Section 482 of the CrPC), may quash criminal proceedings even in respect of non-compoundable offences where a compromise has been arrived at between the accused and the complainant, particularly in circumstances where the continuation of proceedings would not adversely affect any overriding public interest.

10. In *Gian Singh v. State of Punjab and Anr.*¹, the Supreme Court has observed 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

¹ (2012) 10 SCC 303.



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

xxx

xxx

xxx

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 proceeding.***²

Further, in *Narinder Singh & Ors. v. State of Punjab & 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

² Emphasis supplied.

³ (2014) 6 SCC 466.



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 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

⁴ Emphasis supplied.



11. The impugned FIR emanates from allegations arising out of monetary transactions allegedly undertaken pursuant to online stock market advisory communications. While the allegations have been labelled as cyber-related, they essentially pertain to financial dealings between the parties and arise from a private commercial transaction, without disclosing any element of heinous or grave criminality affecting society at large or involving considerations of public interest. During the pendency of the investigation, and prior to the filing of the charge-sheet, the parties have amicably resolved the dispute. In this regard, respondent No. 2 has, by way of the said affidavit dated 03.06.2025 and by his categorical statement before this Court, affirmed that he has received the entire amount as stated in his complaint, and that the settlement has been entered into voluntarily, of his own free will, and without any pressure or coercion, and that he does not wish to pursue the criminal proceedings any further. In the aforesaid circumstances, the likelihood of the criminal proceedings culminating in a conviction is extremely remote, and the continuation of the proceedings arising from the impugned FIR would be wholly futile, constituting an abuse of the process of law and ultimately leading to unnecessary consumption of judicial time.

12. I am of the view that, the present case, therefore, constitutes a fit instance for the exercise of the inherent jurisdiction of this Court.

13. In view of the nature of the dispute and the settlement arrived at between the parties, the petition is allowed, and FIR No. 71/2022 dated 22.06.2022, registered at Police Station Cyber Police Station, South East, Delhi, for offences punishable under Sections 420 of IPC, alongwith all consequential proceedings arising therefrom, is hereby quashed.



14. The parties shall remain bound by the terms of settlement.
15. The petition, alongwith pending applications, is disposed of in the above terms.

FEBRUARY 4, 2026
'pv'/SD/

PRATEEK JALAN, J