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

+ CRL.M.C. 7420/2025

SAKET KOUL

.....Petitioner

Through: Mr. Sahil Vij, Advocate along with
petitioner

versus

THE STATE OF NCT OF DELHI & ANR.

.....Respondents

Through: Mr. Tarang Srivastava, APP for the
State alongwith SI Suraj, P.S.-
Hauz Khas
R-2 in person (VC)

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

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29.01.2026

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. 515/2023 dated 20.12.2023, registered at Police Station Hauz Khas, Delhi, for offences punishable under Sections 420, 406, 506, and 34 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. The impugned FIR was registered at the instance of respondent No. 2 against the petitioner and one Mr. Praveen Yadav, arising out of a transaction relating to a second-hand Mercedes E-Class vehicle bearing registration No. DL-8C-AM-0579. Respondent No. 2 had purchased the said vehicle in December 2020 from Mr. Praveen Yadav, and the vehicle



thereafter stood transferred in her name. Following the demise of her husband in January 2022, respondent No. 2 decided to sell the vehicle as she no longer required it and was servicing an outstanding loan with HDFC Bank. Mr. Praveen Yadav thereafter introduced the petitioner to respondent No. 2, and it was agreed that the said vehicle would be purchased in the name of the petitioner for a total consideration of Rs. 20,00,000/-. An agreement dated 14.02.2022 was executed between respondent No. 2 and the petitioner, pursuant to which a sum of Rs. 2,00,000/- was paid at the time of execution.

3. It is alleged that the petitioner and Mr. Praveen Yadav assured respondent No. 2 that the balance sale consideration would be paid shortly and that the outstanding vehicle loan would be cleared, whereupon the amount would be adjusted. Acting on such assurances, respondent No. 2 handed over possession of the vehicle to the petitioner on the date of execution of the agreement itself. However, despite repeated requests, the balance consideration was allegedly not paid within the agreed timeframe. It is further stated that although a subsequent payment of Rs. 8,00,000/- was made, the remaining amount was neither paid nor was the vehicle returned, leading respondent No. 2 to allege dishonest misappropriation of the vehicle, financial loss, and threats of false implication. On these allegations, the subject FIR came to be registered. It is noted that the investigation is ongoing and no chargesheet has been filed to date.

4. During the pendency of the proceedings, the parties entered into a settlement, recorded in a Settlement Agreement dated 21.01.2025.

5. In terms of the settlement, the parties agreed to a full and final



compromise of all disputes arising from the FIR, for a total consideration of Rs.7,00,000/-, to be paid by the petitioner to respondent No. 2. Out of this amount, Rs.5,00,000/- was paid on 20.01.2025, and during the course of the hearing, it was informed that the remaining balance of Rs.2,00,000/- has also been paid, thereby completing the full settlement. Upon receipt of the entire amount, respondent No. 2 undertook to hand over the original Registration Certificate of the aforesaid vehicle alongwith duly executed sale letters. In view of the above, it is recorded that the settlement has been fully complied with, and all disputes between the parties have been amicably resolved.

6. The petitioner is 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. Learned counsel for respondent No.2 is not present today however, respondent No.2 is present through video conferencing.

7. Respondent No. 2 has stated that the impugned FIR was registered due to a misunderstanding and that she does not wish to pursue the criminal proceedings further or create any animosity between the parties.

8. In view of the above, and in light of the full and final settlement reached between the parties, both the petitioner 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 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.*

¹ (2012) 10 SCC 303.



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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 proceeding.”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 alleged to have been committed under special statute like the

² Emphasis supplied.

³ (2014) 6 SCC 466.



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 emanates from a dispute between the parties arising out of certain monetary dealings. The alleged offences are rooted in a contractual and commercial transaction and are, by their very nature, private to the parties. The controversy in question does not disclose any element of heinous criminality or involve considerations of public interest. Applying the principles enunciated by the Supreme Court, it is evident that respondent No. 2 has unequivocally affirmed before this Court that the settlement has been entered into voluntarily and without any coercion. In such circumstances, the likelihood of the criminal proceedings culminating in a conviction is remote, and their continuance would amount to an empty formality, unnecessarily burdening the justice delivery system and resulting in a wastage of public resources.

12. 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

⁴ Emphasis supplied.



between the parties, the petition is allowed, and FIR No. 515/2023 dated 20.12.2023, registered at Police Station Hauz Khas, Delhi, for the offences punishable under Sections 420/406/506/34 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 is disposed of in the above terms.

PRATEEK JALAN, J

JANUARY 29, 2026

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