



\$~69-Q

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

+ **CRL.M.C. 8370/2025**

M/S ORS INFRASTRUCTURE AND ANRPetitioner

Through: **Mr. Dinesh Kumar & Mr. Shubham Seth, Advocates**
alongwith Petitioners in Person.

versus

THE STATE NCT OF DELHI & ANR.Respondent

Through: **Mr. Hitesh Vali, APP for State.**
SI Deepak Yadav, PS Lodhi Colony.
Mr. Nikilesh Ramchandran, Adv
for R2.

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

% **21.04.2026**

1. By way of this petition under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023 ["BNSS"] (corresponding to Section 482 of the Code of Criminal Procedure, 1973 ["CrPC"]), the petitioners seek quashing of FIR No. 239/2019, dated 31.12.2019, registered under Sections 420/34 of the Indian Penal Code, 1860 ["IPC"], at Police Station Lodhi Colony, District South, Delhi, and all consequential proceedings emanating therefrom, on the ground of settlement.

2. Issue notice. Mr. Hitesh Vali, learned Additional Public Prosecutor, accepts notice on behalf of the State. Mr. Nikilesh Ramchandran, learned counsel, accepts notice on behalf of respondent



No. 2.

3. Authorised Representative of petitioner No. 1 and petitioner No. 2 are present in person and are identified by their learned counsel, as well as by the Investigating Officer [“IO”]. Respondent No. 2 is present through video conference, and has been identified by her learned counsel and 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 against the petitioners. The facts, as emerging therefrom, are that respondent No. 2 was approached by officials of petitioner No. 1- Company along with Mr. Kamal Singh, who induced her to invest in a residential project by assuring timely delivery of a 3BHK flat in 2007. Relying on these representations, she paid approximately Rs. 27.86 lakhs between 2007 and 2012 through cheques. It is further alleged that despite receiving substantial payments, the company neither completed construction nor delivered the promised flat by the agreed date of 30.06.2012, and instead continued to give false assurances regarding delay. The accused are alleged to have similarly collected money from multiple buyers and thereafter become untraceable, thereby causing wrongful loss to respondent No. 2.

6. I am informed that a charge sheet has not yet been filed.

7. Respondent No. 2 also filed a consumer complaint before the State Consumer Disputes Redressal Commission, which *vide* order dated 12.09.2022, directed the petitioners to refund the amount that had been paid by respondent No. 2.



8. Thereafter, the parties settled their disputes amicably, as recorded in a Memorandum of Understanding dated 26.08.2023, whereby all disputes arising out of the impugned FIR stand resolved.

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

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

11. The offence under Section 420 of the IPC is compoundable. The Supreme Court has clearly held that, in certain circumstances, the High Courts, in exercise of their extraordinary powers under Article 226, 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 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*

¹ (2012) 10 SCC 303.



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 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:

² Emphasis supplied.

³ (2014) 6 SCC 466.



(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

12. The present case arises out of an instance of fraud, wherein respondent No. 2 was induced by the petitioners to invest in a residential project on the false assurance of timely delivery, leading to the payment of substantial sums and the subsequent failure to deliver the promised property. The dispute, though attracting the provisions of Section 420 of the IPC, 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 Memorandum of Understanding dated 26.08.2023, and respondent No. 2 has unequivocally affirmed the voluntary nature of the settlement. In these circumstances, the criminal proceedings are unlikely to result in

⁴ Emphasis supplied.



conviction, and its continuation would be an empty formality, adding to the burden of the justice system and consuming public resources unnecessarily.

13. The settlement contemplates payment of Rs. 29,00,000/- to respondent No. 2, which she states has already been received by her. There is therefore no impediment in granting the relief sought.

14. In view thereof, the petition is allowed, and FIR No. 239/2019, dated 31.12.2019, registered under Sections 420/34 at Police Station Lodhi Colony, District South, 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

APRIL 21, 2026

'pv'/AD/