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

+ **CRL.M.C. 420/2026 & CRL.M.A. 1737/2026**

SIVARAMAKRISHNA KOTA AND ANRPetitioners

Through: Mr. Shantanu Devansh, Ms. Rudvali Patil, Mr. Varuni Agarwal, and Ms. Sakshi Dava, Advocates.

versus

STATE OF DELHI NCT & ORS.Respondents

Through: Mr. Yudhvir Singh Chauhan, APP with Insp. Pawan Yadav, SI Deepak Sahu. Ms. Gauri Puri, Mr. Kashish Bhardwaj, Advocates for complainant.

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

% **28.03.2026**

1. This petition was scheduled to be listed on 02.03.2026, but has been listed today, as 02.03.2026 was declared a holiday *vide* Notification No. 64/G-4/Genl.-I/DHC dated 27.02.2026.
2. The petitioner has filed this petition under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023, seeking quashing of FIR No. 173/2024 dated 26.03.2024, registered at Police Station Punjabi Bagh, District West, New Delhi, under Sections 420/406/34 of the Indian Penal Code, 1860, alongwith all consequential proceedings emanating therefrom, on the ground of settlement.
3. The impugned FIR was registered at the instance of respondent No. 2, through its Director, against three accused persons [petitioners and



respondent No. 4 herein]. The facts, as emerging therefrom, are that, in 2021, respondent No. 2 sought to diversify and expand its business so as to function as a Non-Vessel Operating Common Carrier. Pursuant thereto, it engaged the services of petitioner No. 1, who represented himself as possessing the requisite industry know-how. Petitioner No. 2 and respondent No. 4 were employed by petitioner No. 1 on behalf of respondent No. 2. Respondent No. 2 purchased 218 second-hand shipping containers, which were entrusted to petitioner No. 1, who was conducting business through its branch office. It is alleged that petitioner No. 1 failed to transfer the profits generated therefrom to the head office, and instead retained the funds with respondent No. 3 – Vanishka Shipping and Logistics LLP. Further, due to the petitioners’ failure to fulfil the requisite GST compliances, the GST registration of respondent No. 2 was cancelled. It is also alleged that the accused persons, acting in concert, generated bills of lading and invoices in the names of other companies, while utilising the shipping containers owned by respondent No. 2.

4. The parties have since settled their disputes, as recorded in a Memorandum of Understanding and Settlement Deed dated 02.06.2024, read with an amendment thereto dated 14.08.2025 [“MoU”]. In light of the aforesaid, they seek quashing of the impugned FIR.

5. The MoU has been executed by the authorised representative of respondent No. 2 – complainant, who is present in Court and has been identified by learned counsel, as well as by the Investigating Officer [“IO”]. A certified true copy of the Board Resolution authorising the said representative has also been placed on record.

6. The petitioners are also present in Court and have been identified



by their learned counsel, as well as by the IO. Respondent No. 3, being the entity responsible for making the payment, is also represented in Court through the signatory to the MoU. A copy of the Board Resolution of respondent No. 3 has been placed on record. A further Board Resolution has been handed up in Court and is taken on record.

7. The settlement contemplates that respondent No. 3 has agreed to purchase 218 containers from respondent No. 2 for a sum of Rs.1,35,00,000/-, alongwith GST at 18%, towards full and final settlement of all claims. Further, respondent No. 2 will hand over the invoices in respect of 130 containers to respondent No. 3 upon quashing of the impugned FIR.

8. I am informed that an amount of Rs. 90,00,000/-, alongwith GST at 18%, has already been paid in terms of the settlement. The remaining amount of Rs. 42,20,000/- has been paid today, and the invoices which were to be furnished by respondent No. 2 to respondent No. 3 have also been handed over in Court. The settlement, therefore, stands fully implemented.

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

10. The Supreme Court has clearly held that, in certain circumstances, the High Courts, in exercise of their powers under Section 482 of the CrPC [corresponding to Section 528 of the BNSS], can quash criminal proceedings 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.* [(2012) 10 SCC 303], 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 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.”

[Emphasis supplied.]

Further, in *Narinder Singh and Ors. v. State of Punjab and Anr.* [(2014) 6 SCC 466], 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 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.”

[Emphasis supplied.]

11. The present case arises out of an employer-employee relationship, and a commercial settlement has been arrived at, between all the



concerned parties for a monetary consideration. It is essentially a private dispute, which does not involve any element of public interest or heinous criminality. This, in my view, is a fit case in which the inherent powers of this Court may be exercised to quash the FIR in question. As respondent No. 2 has affirmed the voluntary nature of the settlement, it is also unlikely that further proceedings would result in any conviction. Continuation of criminal proceedings pursuant to the impugned FIR would, therefore, be an unnecessary diversion of judicial resources.

12. As noted above, the terms of the settlement have been implemented. There is, therefore, no impediment to grant of the relief sought.

13. Having regard to the above discussion, the petition is allowed, and FIR No. 173/2024 dated 26.03.2024, registered at Police Station Punjabi Bagh, District West, New Delhi, under Sections 420/406/34 of the IPC, alongwith all consequential proceedings arising therefrom, is hereby quashed.

14. The petition, alongwith pending application, stands disposed of.

PRATEEK JALAN, J

MARCH 28, 2026

'Bhupi/KA'/'