



\$~96

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

+ W.P.(CRL) 423/2026 & CRL.M.A. 3885-3886/2026

SMT CHANDRAMANI DEVI AND ANRPetitioners

Through: Ms. Benu Gunjan Jha, Advocate.

versus

STATE OF GOVT OF NCT DELHI AND ANRRespondents

Through: Mr. Amol Sinha, ASC with Mr. Ashvini Kumar and Mr. Kshitiz Garg, Advocates with SI Shikha.
Appearance not given for R2 and R3.
R2 & R3 in person

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

% **05.02.2026**

1. The present petition has been filed under Article 226 of the Constitution, seeking quashing of FIR No. 409/2024 dated 22.11.2024, registered at Police Station Dwarka (South), Delhi, under Sections 420/34 of the Indian Penal Code, 1860 ["IPC"], and all proceedings emanating therefrom, on the ground of settlement.
2. The impugned FIR has been registered at the instance of the petitioners, and against respondent Nos 2 and 3 in the amended memo of parties, which is handed up in Court and is taken on record.
3. Issue Notice. Mr. Amol Sinha, learned Additional Standing Counsel, accepts notice on behalf of the State. Notice is accepted by



learned counsel on behalf of respondent Nos. 2 and 3.

4. The petitioners are present in Court and have been identified by their counsel as well as by the Investigating Officer [“IO”]. Respondent Nos. 2 and 3 appear through video conference and have also been identified by their counsel as well as the IO.

5. The impugned FIR arises out of a property transaction between M/s Victorian Buildwell Pvt. Ltd., of which respondent Nos. 2 and 3 are directors, and the petitioners. Petitioner No. 2 paid Rs. 13,53,000/- to the said company for booking a flat in a proposed project in Dwarka in the name of petitioner No. 1. The project was however allegedly never constructed, and despite repeated demands, only Rs. 1,50,000/- was refunded to petitioner No. 1, leaving the major portion unpaid. To recover the balance amount, petitioner No. 1 filed a civil suit, during which it was found that the said company had been struck off from the Register of Companies.

6. The chargesheet has not yet been filed.

7. Parties have resolved their disputes by way of a Settlement Agreement dated 25.10.2025 between petitioner No. 1 and respondent No. 2. The petition is also supported by affidavits of both petitioners [complainants in the impugned FIR]. Learned counsel for the parties submit that the settlement has been arrived at voluntarily, without any coercion, pressure, or undue influence, and that continuation of the criminal proceedings would serve no useful purpose.

8. In light of the aforesaid, parties seek quashing of the impugned FIR.

9. The Supreme Court has clearly held that, in certain circumstances,



the High Courts 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.

10. The Supreme Court, in *Gian Singh v. State of Punjab & Anr.*¹ has 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.*

¹ (2012) 10 SCC 303.



XXXX

XXXX

XXXX

XXXX

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

11. The offences alleged in the subject FIR arise out of a contractual and commercial transaction between the parties and are essentially private in nature. The dispute does not involve any element of public interest or heinous criminality. Applying the tests laid down by the Supreme Court, it may be observed that the respondent No. 2 has also categorically affirmed the voluntary nature of the settlement before the Court. In these circumstances, the criminal proceedings are unlikely to result in conviction, and its continuation would be an empty formality, adding to the burden of the justice system and consuming public resources unnecessarily.

12. The settlement contemplates payment of Rs. 20,00,000/- to respondent Nos. 2 and 3 by the petitioners. Respondent Nos. 2 and 3 state that Rs. 5,00,000/- had already been received by them. The remaining amount of Rs. 15,00,000/- has been handed over to them today in Court by way of a cheque. There is therefore no impediment in granting the relief sought.

13. Having regard to the above discussion, the petition is allowed. FIR No. 409/2024 dated 22.11.2024, registered at Police Station Dwarka (South), Delhi, under Sections 420/34 of the IPC, and all proceedings emanating therefrom, are hereby quashed.

14. Undertaking of respondent No. 2, through his counsel, is recorded that the cheque will be honoured upon presentation. Any violation will lead to revival of the present FIR and also proceedings of contempt

² Emphasis supplied.



against him.

15. The parties shall remain bound by the terms of the settlement.

16. The petition, alongwith the pending application, is disposed of accordingly.

PRATEEK JALAN, J

FEBRUARY 5, 2026
SS/AD/