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

CNR No. DLHC011025692025

+ **W.P.(CRL) 4177/2025**

SHALU AHLAWAT @ SHALU MANN

.....Petitioner

Through: Mr. Anuj Kr. and Mr. Abhimanyu
Sharma, Advs.

versus

STATE (NCT OF DELHI) & ANR.

.....Respondents

Through: Mr. Amol Sinha (ASC, Criminal for
State) along with Mr. Kshitiz Garg,
Mr. Ashvini Kumar, Mrs. Chavi
Lazarus and Mr. Nitish Dhawan,
Advs.
SI Vikas and SI Sudheer, PS:
Paharganj.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

ORDER

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18.08.2026

1. The present petition has been filed under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023 ('**BNSS**') read with Article 227 of the Constitution of India seeking quashing of the FIR Bo. 120/2019 dated 24.04.2019 under Section 420, 468, 471 of the Indian Penal Code ('**IPC**') registered at PS Paharganj, New Delhi, all proceedings arising therefrom.
2. As per the FIR, it is alleged that a fraudulent insurance reimbursement of ₹2,25,513/- was claimed by the petitioner for an alleged hospitalization at



Holy Family Hospital, New Delhi for a tibia/fibula injury. However, after subsequent verification, it was alleged that the medical documents and certificates were forged.

3. It appears from the record that the dispute in question has been amicably settled by the parties. The Memorandum of Understanding dated 03.09.2025 was subsequently registered on 26.11.2025, and this deed to that effect has been placed on record.

4. On behalf of the State, there is no opposition in quashing of the FIR in view of the settlement arrived at between the petitioners and the respondent no.2 and the statement of the respondent no.2.

5. Despite certain offences being classified as non-compoundable under the IPC, in exercise of powers conferred under Section 482 of the CrPC (Section 528 BNSS), High Courts have proceeded to quash such proceedings on account of a settlement between the parties. In **Gian Singh v. State of Punjab**,¹ the Court recognized that such an approach serves the ends of justice by bringing the litigation to an end and preventing its needless continuation.

6. The conditions and pre-requisites for compounding were elaborated in **Narinder Singh v. State of Punjab**,² and the following were deemed necessary before quashing the proceedings on the basis of a settlement/compromise and can be summarized as follows:

6.1 There should hardly be any likelihood of the offender being convicted, given the compromise that took place between the parties. Particularly, so in disputes that are predominantly civil in nature, for instance those arising

¹ (2012) 10 SCC 303.

² (2014) 6 SCC 466.



from commercial transactions, matrimonial relationships, or family matters, a genuine compromise may render the possibility of conviction remote and bleak;

6.2 By not quashing the criminal proceedings, justice shall be the casualty and ends of justice shall be defeated. Where continuation of proceedings despite settlement is unfair, unjust, or an abuse of process, quashing may be allowed to secure the ends of justice; and

6.3 The timing of the compromise also becomes relevant, quashing may be considered at the investigation or early-trial stage, but is ordinarily declined once evidence is substantially complete or conviction has been recorded.

7. The aforesaid proposition was refined in *Vijay Kumar Kela v. CBI*,³ to clarify that, ultimately, it is facts and circumstances of each case that determine the compoundability of proceedings and no straight-jacket formula can be prescribed. It was also noted that before exercising powers under Section 482 of the CrPC (Section 528 BNSS), the Court must have due regard to the nature and gravity of the crime.

8. The Court clarified that compounding on the basis of a purported settlement cannot take place where—*first*, heinous offences affecting the society at large are in question; and *second*, a compromise between the parties cannot quash corruption or official duty offences.⁴

9. However, for the offence of cheating and forgery where the dispute is predominantly civil, investigation is pending for a long time, and where the complainant, including a bank, has been satisfied that the claims have been satisfied due to compromise on receiving payments, the Court has also

³ 2026 SCC OnLine SC 1003.

⁴ (2012) 10 SCC 303.



considered the settlement while exercising its jurisdiction to bring the criminal proceedings to an end.⁵ Notably, in such cases, the factum of the possibility of conviction being remote and bleak owing to the settlement, also becomes a material factor, while considering the question of quashment.

10. In view of the aforesaid, the FIR No. 120/2019 dated 24.04.2019, registered under Sections 420/468/471 IPC at PS Paharganj and all consequent actions stand quashed. However, the same shall remain subject to the payment of Rs.20,000/- to be paid to the Delhi High Court Legal Services Committee.

11. Let a receipt of the payment of the cost be produced before the concerned SHO who, thereafter, shall formally close the FIR.

12. Petition stands disposed of.

PURUSHAINDR KUMAR KAURAV, J

AUGUST 18, 2026/P/as

⁵ CBI v. Duncans Agro Industries Ltd., (1996) 5 SCC 591 and Nikhil Merchant v. CBI, (2008) 9 SCC 677.