IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

2025:PHHC:155780

CRM-M-54453-2025

Date of decision: 12.11.2025

Badri Mandal & others

....Petitioners

V/s

State of Haryana and another

....Respondents

CORAM: HON'BLE MR. JUSTICE SUMEET GOEL

Present: Mr. Najar Singh, Advocate for
Mr. Navmohit Singh, Advocate for the petitioners.

Mr. Gurmeet Singh, AAG Haryana.

Mr. Smit Kamboj, Advocate for respondent No.2.

*****

SUMEET GOEL, J.

1. The *petition in hand* has been preferred by the accused – petitioners, under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023, for quashing of FIR No.38 dated 27.06.2025 (hereinafter to be referred as the *impugned FIR*) registered under Sections 318(4), 336(3), 338, 340, 61 of BNS at Police Station PS Cyber Sonipat, Haryana, as also the proceedings subsequent thereto, on the basis of a compromise deed dated 20.09.2025 (appended as Annexure P-2 with the present petition).

2. The gravamen of the *impugned FIR* is that the complainant namely Divya daughter of Suresh Kumar, Resident of 1008/3, SBI Lane, New Colony, Railway Road, Sonipat alleged that she is employed as an Accountant at Institute of Competitive Studies Pvt. Ltd, having an account with the HDFC Bank bearing Account No.50200053031318. On 24.06.2025, a total of seven unauthorized transactions amounting to Rs.14,83,696/- were carried out from the said account without the knowledge or consent of the complainant. No OTP or transaction message was received at the time of

these transactions. Upon logging into net banking, the complainant discovered the fraudulent withdrawals. The complainant later learned that the money had been transferred to fraudulent accounts opened using fake documents through a fake website. Thereafter, an online complaint was lodged at the Cyber Crime Helpline (1930) and a complaint was registered under No.31306250043329. Based on this complaint, the present FIR has been registered.

3. Learned counsel for the petitioners has argued that the petitioners have been falsely implicated into the *impugned FIR*. According to learned counsel, the matter has been amicably resolved between the parties with the intervention of the respectable persons and respondent No.2-complainant does not want to continue with the *impugned FIR*. Learned counsel has further urged that a compromise was entered into between the petitioners and the FIR-complainant on 20.09.2025, relevant whereof reads as under:-

> *"1. That the First Party agrees to withdraw the complaint/FIR/no longer pursue the legal case against the Second Party in respect of the aforementioned cybercrime and has no further grievance or claim in this matter.*
>
> *2. That both parties affirm that this compromise has been entered into voluntarily, with full understanding of its legal implications.*
>
> *3. That both parties undertake to cooperate in filing appropriate applications before the Hon'ble Court/Police Authorities for quashing of FIR (if registered), withdrawal of complaint or seeking permission for compromise under applicable law.*
>
> *4. That this compromise shall be binding on both parties, their legal heirs, representatives and assigns."*

Learned counsel has, thus, iterated that the FIR in question, which was got registered on account of a misunderstanding, has since been resolved between the parties and in order to keep peace as also harmony, the

parties do not wish to continue with proceedings against each other, including the *impugned FIR*. Learned counsel has further submitted that, pursuant to order dated 25.09.2025 earlier passed by this Court, statements of the rival private parties were recorded before the concerned Magistrate wherein the said parties have reiterated having entered into settlement and a report dated 10.10.2025 has been received from the said Magisterial Court. Learned counsel has further urged that no useful purpose would likely be served by allowing the criminal prosecution to continue against the petitioners. Thus, it has been entreated that the *petition in hand* be granted.

4. Learned State counsel has argued that the *impugned FIR* was registered for serious allegations of cyber fraud involving fraudulent transactions. According to learned State counsel, the offence of cyber fraud not only affects the complainant but also erodes the public confidence in digital banking transactions. Though the parties have entered into a compromise and the complainant has expressed no objection to quashing of the *impugned FIR* but while considering the compromise, the nature and gravity of allegations are also to be taken into account as the offence(s) in question pertains to cyber and financial fraud. Learned State counsel has emphasized that the power to quash lies with this Court under Section 528 of BNSS, 2023 but it has to be exercised sparingly and cautiously. On the basis of aforesaid submissions, learned State counsel has prayed for dismissal of the *petition in hand*.

5. Learned counsel for the respondent No.2 has submitted that the parties have amicably settled the matter with the petitioners. The complainant has executed a compromise affidavit dated 20.09.2025 and categorically stated that she has no objection if the *impugned FIR* and all proceedings

arising therefrom are quashed against the petitioners. Furthermore, the compromise has been arrived at voluntarily without any threat coercion or undue influence. Thus, in view of the compromise duly executed between the parties, learned counsel has prayed that the *petition in hand* be allowed and the *impugned FIR* and all consequential proceedings emanating therefrom be quashed.

6. I have heard learned counsel for the parties and have perused the record.

Prime Issue

7. The issue that arises for consideration in the *petition in hand* is as to whether the *impugned FIR* and the proceedings arising therefrom deserve to be quashed on the basis of compromise/settlement having been arrived at between the rival private parties.

The seminal legal issue that arises for rumination is as to whether an FIR (as also proceedings emanating therefrom) can be quashed on the basis of compromise/settlement between the rival parties wherein the FIR pertains to allegations of cyber fraud.

8. **Relevant Statutory Provisions**

The Code of Criminal Procedure, 1973 (hereinafter to be referred as 'the Cr.P.C.)

Section 482 of Cr.P.C., 1973 reads as under:

> *"**482. Saving of inherent power of High Court** – Nothing in this Code shall be deemed to limit or affect the inherent powers of the High Court to make such orders as may be necessary to give effect to any order under this Code, or to prevent abuse of the process of any Court or otherwise to secure the ends of justice."*

The Bharatiya Nagarik Suraksha Sanhita, 2023 (hereinafter to be referred as BNSS, 2023)

Section of the BNSS, 2023 reads as under:

*"**528. Saving of inherent powers of High Court** – Nothing in this Sanhita shall be deemed to limit or affect the inherent powers of the High Court to make such orders as may be necessary to give effect to any order under this Sanhita, or to prevent abuse of the process of any Court or otherwise to secure the ends of justice."*

Relevant Case Law

9. The precedents, *apropos* to the matter(s) in issue, are as follows:

Re: Powers of the High Court under Section 482 of Cr.P.C.,vis-a-vis., quashing of the FIR/criminal proceedings on the basis of compromise

(i) In a judgment titled as ***Gian Singh vs. State of Punjab and another, 2012 (10) SCC 303*** a three Judge Bench of the Hon'ble Supreme Court has held as under:-

"*48. The question is with regard to the inherent power of the High Court in quashing the criminal proceedings against an offender who has settled his dispute with the victim of the crime but the crime in which he is allegedly involved is not compoundable under Section 320 of the Code.*

xxx *xxx* *xxx* *xxx*

xxx *xxx* *xxx* *xxx*

57. 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 F.I.R may be exercised where the offender and 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 serious impact on society. Similarly, any compromise between the victim and offender in relation to the offences under special statutes like 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 pre-dominatingly civil flavour stand on 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, High Court may quash criminal proceedings if in its view, because of the compromise between the offender and victim, the possibility of conviction is remote and bleak and continuation of criminal case would put 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 wrongdoer and whether to secure the ends of justice, it is appropriate that criminal case is put to an end and if the answer to the above question(s) is in affirmative, the High Court shall be well within its jurisdiction to quash the criminal proceeding.

(ii) In a judgment titled as ***Narinder Singh vs. State of Punjab, 2014(6) SCC 466*** , the Hon'ble Supreme Court has held as under:-

"31. 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:

(I) 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.

(II)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.

(III) Such a power is not 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 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.

(IV) On the other, those criminal cases having overwhelmingly and pre-dominantly 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.

(V) 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.

(VI) Offences under Section 307 IPC would fall in the category of heinous and serious offences and therefore is to be generally treated as crime against the society and not against the individual alone. However, the High Court would not rest its decision merely because there is a mention of Section 307 IPC in the FIR or the charge is framed under this provision. It would be open to the High Court to examine as to whether incorporation of Section 307 IPC is there for the sake of it or the prosecution has collected sufficient evidence, which if proved, would lead to proving the charge under Section 307 IPC. For this purpose, it would be open to the High Court to go by the nature of injury sustained, whether such injury is inflicted on the vital/delegate parts of the body, nature of weapons used etc. Medical report in respect of injuries suffered by the victim can

generally be the guiding factor. On the basis of this prima facie analysis, the High Court can examine as to whether there is a strong possibility of conviction or the chances of conviction are remote and bleak. In the former case it can refuse to accept the settlement and quash the criminal proceedings whereas in the later case it would be permissible for the High Court to accept the plea compounding the offence based on complete settlement between the parties. At this stage, the Court can also be swayed by the fact that the settlement between the parties is going to result in harmony between them which may improve their future relationship.

(VII) While deciding whether to exercise its power under Section 482 of the Code or not, timings of settlement play a crucial role. Those cases where the settlement is arrived at immediately after the alleged commission of offence and the matter is still under investigation, the High Court may be liberal in accepting the settlement to quash the criminal proceedings/investigation. It is because of the reason that at this stage the investigation is still on and even the charge sheet has not been filed. Likewise, those cases where the charge is framed but the evidence is yet to start or the evidence is still at infancy stage, the High Court can show benevolence in exercising its powers favourably, but after prima facie assessment of the circumstances/material mentioned above. On the other hand, where the prosecution evidence is almost complete or after the conclusion of the evidence the matter is at the stage of argument, normally the High Court should refrain from exercising its power under Section 482 of the Code, as in such cases the trial court would be in a position to decide the case finally on merits and to come a conclusion as to whether the offence under Section 307 IPC is committed or not. Similarly, in those cases where the conviction is already recorded by the trial court and the matter is at the appellate stage before the High Court, mere compromise between the parties would not be a ground to accept the same resulting in acquittal of the offender who has already been convicted by the trial court. Here charge is proved under Section 307 IPC and conviction is already recorded of a heinous crime and, therefore, there is no question of sparing a convict found guilty of such a crime."

(iii) In a judgment titled as ***Parbatbhai Aahir @ Parbatbhai Bhimsinhbhai Karmur and Ors. Vs. State of Gujarat and anr. AIR 2017***

SUPREME COURT 4843, a three Judge Bench of the Hon'ble Supreme Court has held as under:-

> *"15 The broad principles which emerge from the precedents on the subject, may be summarised in the following propositions :*
>
> *(i) Section 482 preserves the inherent powers of the High Court to prevent an abuse of the process of any court or to secure the ends of justice. The provision does not confer new powers. It only recognises and preserves powers which inhere in the High Court;*
>
> *(ii) The invocation of the jurisdiction of the High Court to quash a First Information Report or a criminal proceeding on the ground that a settlement has been arrived at between the offender and the victim is not the same as the invocation of jurisdiction for the purpose of compounding an offence. While compounding an offence, the power of the court is governed by the provisions of Section 320 of the Code of Criminal Procedure, 1973. The power to quash under Section 482 is attracted even if the offence is non-compoundable.*
>
> *(iii) In forming an opinion whether a criminal proceeding or complaint should be quashed in exercise of its jurisdiction under Section 482, the High Court must evaluate whether the ends of justice would justify the exercise of the inherent power;*
>
> *(iv) While the inherent power of the High Court has a wide ambit and plenitude it has to be exercised; (i) to secure the ends of justice or (ii) to prevent an abuse of the process of any court;*
>
> *(v) The decision as to whether a complaint or First Information Report should be quashed on the ground that the offender and victim have settled the dispute, revolves ultimately on the facts and circumstances of each case and no exhaustive elaboration of principles can be formulated;*
>
> *(vi) In the exercise of the power under Section 482 and while dealing with a plea that the dispute has been settled, the High Court must have due regard to the nature and gravity of the offence. Heinous and serious offences involving mental depravity or offences such as murder, rape and dacoity cannot appropriately be quashed though the victim or the family of the victim have settled the dispute. Such offences are, truly speaking, not private in nature but have a serious impact upon society. The decision to continue with the trial in such cases is founded on the overriding element of public interest in punishing persons for serious offences;*

(vii) As distinguished from serious offences, there may be criminal cases which have an overwhelming or predominant element of a civil dispute. They stand on a distinct footing in so far as the exercise of the inherent power to quash is concerned;

(viii) Criminal cases involving offences which arise from commercial, financial, mercantile, partnership or similar transactions with an essentially civil flavour may in appropriate situations fall for quashing where parties have settled the dispute;

(ix) In such a case, the High Court may quash the criminal proceeding if in view of the compromise between the disputants, the possibility of a conviction is remote and the continuation of a criminal proceeding would cause oppression and prejudice; and

(x) There is yet an exception to the principle set out in propositions (viii) and (ix) above. Economic offences involving the financial and economic well-being of the state have implications which lie beyond the domain of a mere dispute between private disputants. The High Court would be justified in declining to quash where the offender is involved in an activity akin to a financial or economic fraud or misdemeanour. The consequences of the act complained of upon the financial or economic system will weigh in the balance."

(iv) In a judgment titled as ***State of Madhya Pradesh vs. Laxmi Narayan and others AIR 2019 SUPREME COURT 1296,*** a three Judge Bench of the Hon'ble Supreme Court has held as under:-

"13. Considering the law on the point and the other decisions of this Court on the point, referred to hereinabove, it is observed and held as under:

i) that the power conferred under Section 482 of the Code to quash the criminal proceedings for the non-compoundable offences under Section 320 of the Code can be exercised having overwhelmingly and predominantly the civil character, particularly those arising out of commercial transactions or arising out of matrimonial relationship or family disputes and when the parties have resolved the entire dispute amongst themselves;

ii) such power is not to be exercised in those prosecutions which involved 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;

iii) similarly, such power is not to be exercised for the offences under the special statutes like 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;

iv) offences under Section 307 IPC and the Arms Act etc. would fall in the category of heinous and serious offences and therefore are to be treated as crime against the society and not against the individual alone, and therefore, the criminal proceedings for the offence under Section 307 IPC and/or the Arms Act etc. which have a serious impact on the society cannot be quashed in exercise of powers under Section 482 of the Code, on the ground that the parties have resolved their entire dispute amongst themselves. However, the High Court would not rest its decision merely because there is a mention of Section 307 IPC in the FIR or the charge is framed under this provision. It would be open to the High Court to examine as to whether incorporation of Section 307 IPC is there for the sake of it or the prosecution has collected sufficient evidence, which if proved, would lead to framing the charge under Section 307 IPC. For this purpose, it would be open to the High Court to go by the nature of injury sustained, whether such injury is inflicted on the vital/delegate parts of the body, nature of weapons used etc. However, such an exercise by the High Court would be permissible only after the evidence is collected after investigation and the charge sheet is filed/charge is framed and/or during the trial. Such exercise is not permissible when the matter is still under investigation. Therefore, the ultimate conclusion in paragraphs 29.6 and 29.7 of the decision of this Court in the case of Narinder Singh (supra) should be read harmoniously and to be read as a whole and in the circumstances stated hereinabove;

v) while exercising the power under Section 482 of the Code to quash the criminal proceedings in respect of non-compoundable offences, which are private in nature and do not have a serious impart on society, on the ground that there is a settlement/compromise between the victim and the offender, the High Court is required to consider the antecedents of the accused; the conduct of the accused, namely, whether the accused was absconding and why he was absconding, how he had managed with the complainant to enter into a compromise etc."

Analysis (re law)

10. The conventional outlook, in view of the statutory framework, was that criminal offence(s) could be settled only by way of compounding, as

per the provisions of Section 320 of the Cr.P.C., 1973 (now Section 359 of BNSS, 2023). In ordinary parlance, "*compounding*" is known as "*compromise"* or *"settlement"*. This expression is, ordinarily, understood as condoning a felony in exchange for repatriation received by the victim-complainant from the felon. In other words, no compounding/compromise of a criminal offence could be permitted by the Court, except for an offence which met with rigours of the Section 320 of Cr.P.C. Therefore; the question arose whether the High Court, by exercising its plenary/inherent jurisdiction, under Section 482 of Cr.P.C., could quash ongoing FIR/criminal proceedings on the basis of compromise/settlement having been arrived at between the rival parties.

10.1. Before proceeding further, it would be germane to delve into the nature, scope and ambit of powers of the High Court under Section 482 of Cr.P.C., 1973.

10.2. Inherent powers of the High Court are those which are incidental replete powers, which if did not so exist, the Court would be obliged to sit still and helplessly see the process of law and the Courts being abused for the purposes of injustice. In other words; such power(s) is intrinsic to the High Court, it is its very life-blood, its very essence, its immanent attribute. Without such power(s), the High Court would have a form but lack the substance. These powers of the High Court, hence, deserve to be construed with the widest possible amplitude. These inherent powers are in consonance with the nature of the High Court which ought to be, and has in fact been, invested with power(s) to maintain its authority to prevent the process of law/Courts being obstructed or abused. It is a trite posit of jurisprudence that though the laws attempt to deal with all cases that may arise, the infinite

variety of circumstances which shape events and the imperfections of language make it impossible to lay down provisions capable of governing every case, which, in fact, arise. The High Court which exists for the furtherance of justice in an indefatigable manner, should therefore, have unfettered power(s) to deal with situations which, though not expressly provided for by the law, need to be dealt with, to prevent injustice or the abuse of the process of law and Courts. The maxim, namely, ***"quando lex aliquid alicui concedit, concedere videtur et id sine quo res ipsa, esse non potest"*** (when the law gives anything to anyone, it also gives all those things without which the thing itself cannot exist) also signifies that the inherent powers of the High Court are all such powers which are necessary to do the right and to undo a wrong in the course of administration of justice. Further, the maxim ***"ex debito justitiae"*** stipulates that such powers are given to do real and substantial justice, for which purpose alone, the High Court exists. Hence, the powers under Section 482 of Cr.P.C., are aimed at preserving the inherent powers of a High Court to prevent abuse of the process of any Court or to secure the ends of justice. The juridical basis of these plenary power(s) is the authority; in fact, the seminal duty and responsibility of the High Court; to uphold, to protect and to fulfil the judicial function of administering justice, in accordance with the law, in a methodical, orderly and effective manner. In other words; Section 482 of Cr.P.C. reflects peerless powers, which a High Court may draw upon as necessary, whenever it is just and equitable to do so; in particular, to ensure the observance of the due process of law, to prevent vexation or oppression, to do justice *nay* substantial justice between the parties and to secure the ends of justice.

10.3 The above principle(s), in context of provisions of Section 482 of Cr.P.C, 1973, would apply with complete vigour, to the provisions of Section 528 of BNSS of 2023 as well, since there is no alteration in the wording of these two provisions.

11. The Hon'ble Supreme Court in the case of ***Gian Singh*** (supra) has enunciated that the powers of the High Court for quashing of criminal proceedings on the basis of settlement are materially different from compounding of offence in terms of Section 320 of Cr.P.C., (Now Section 359 of BNSS, 2023) *as* a Court while exercising power under Section 320 of Cr.P.C. (Now Section 359 of BNSS, 2023) is circumscribed by the statutory provision *but* the High Court may proceed to quash a criminal offence/criminal proceedings if the ends of justice justify exercise of such power. It was thus held that the criminal cases having overwhelmingly and predominantly civil flavour, offences arising out of matrimonial dispute, offences arising out of family dispute, as also offences which are basically private or personal in nature, could be quashed by the High Court in case the parties have resolved their entire dispute(s). Further, the Hon'ble Supreme Court in the case of ***Narinder Singh*** (supra) has held that the possibility of conviction being remote and bleak, whereas continuation of the criminal case is putting the accused to oppression and prejudice & the parties being put to general inconvenience, as also prejudice could also be considered as contributing factors by the High Court, while examining a plea for quashing of criminal proceedings on the basis of settlement/compromise. However a caution was made that cases involving heinous and serious offences of mental depravity or offences like murder, rape, dacoity; offences under the Prevention of Corruption Act committed by public servants etc., ought not to

be quashed while exercising such plenary jurisdiction. To the same effect is the dicta of the judgment of three Judge Bench of the Hon'ble Supreme Court in the case of ***Parbatbhai Aahir*** case (supra). Further, a three Judge Bench of the Hon'ble Supreme Court in a judgment of ***Laxmi Narayan*** case (supra) reiterated the principles laid-down in cases of ***Gian Singh*** (supra)***, Narinder Singh*** (supra) **and** ***Parbatbhai Aahir*** (supra). The aureate enunciation of law, in above case-law, essentially points out that the prime factors for consideration of quashing of FIR/criminal proceedings on the basis of compromise/settlement is that the dispute/offence is essentially private in nature; continuation of criminal proceeding would be an exercise in futility as its *fait-accompli* is known; pendency of such proceedings would be an undesirable burden on the police/prosecution as also the Courts, who are already struggling ardously to manage the ever increasing and unmanageable docket and/or such quashing would ensure the ends of justice.

11.1 It is, thus, unequivocal that the plenary powers vested in a High Court, by virtue of its very constitution, are to be exercised with circumspection and in a manner befitting judicial propriety. The invocation of inherent jurisdiction must serve the ends of justice, necessitating a holistic evaluation of all the attendant circumstances. The criminal justice system is not merely a forum for resolving interpersonal disputes; it embodies the sovereign obligation of the State to safeguard the fundamental rights of its citizens, including the protection of life, liberty, and property. In adjudicating petitions seeking quashing of criminal proceedings on the basis of a purported compromise between the parties, the court must transcend the immediate assertions of harmony. While the absence of current grievances between parties may be a material consideration, it cannot be the determinative

criterion. The court is duty-bound to scrutinize the gravity of the allegations, the nature of the offences, and their ramifications on the public order and societal welfare. This judicial responsibility is accentuated in cases involving heinous or egregious offences, where the broader societal interest outweighs private settlements. Compromising such cases on the ground of mutual accord risks undermining the public confidence in the justice delivery system and jeopardizing the larger interest of law enforcement and might also imply some kind of impunity being accorded to the erring party(s).

12. The contemporary felony of cyber fraud presents a transgression *sui generis* that mandates its categorical exclusion from the judicial indulgence for quashing of criminal proceedings *solely* on the basis of a compromise/settlement having been arrived at between the complainant/victim and the accused. Digital economy is the unassailable *locus* of modern commerce, sustained entirely by the bedrock of public trust. Cyber Fraud acts as a corrosive insurgency, causing not merely an isolated pecuniary loss, but an aggravated systemic damage upon the public financial exchequer, thereby inflicting profound *in rem* detriment. Owing to the anonymity, trans-border expanse and a propensity of causing substantial adverse impact, a court is compelled to look beyond the private settlement, *lest* it may tantamount to granting judicial imprimatur to an ongoing systemic threat. When such an offender escapes prosecution simply by offering *post facto* restitution, the penal measure is *ipso facto* converted into a mere calculus of profit and risk. The perpetrator of such an organized crime is emboldened to treat the compromise/settlement as a predictable expense, creating a deleterious lacuna in the law and gravely impacting the sanctity of criminal justice system. When a cyber fraud is perpetrated, the immediate and

visible financial deceit/loss is only the tip of the spear; the real victim is the digital ecosystem itself. A private compromise/settlement between the rival private parties, i.e. the accused and the complainant/victim, is merely an ineffectual repudiation of individual liability, lacking utterly in addressing the cascading and unquantifiable institutional injury.

Pertinently, this Court is abundantly cognizant of the fact that the *sine qua non* behind a complainant/victim's assent to a compromise/settlement in cases of financial fraud remains the assured restitution of the monies of which she has been duped/criminally divested. This assurance of monetary indemnification acts as a sole allurement motivating her to participate in compromise/settlement proceedings. Nevertheless, such a compromise/settlement, having been arrived under the allurement of monetary restitution, is inherently incapable of ameliorating the inherent gravity and egregious nature of the offence of cyber fraud, which has the propensity of causing extensive public detriment and imparting a pernicious impact on the foundational trust, underpinning any commercial activity.

12.1. Another aspect *nay* vital aspect of the *lis* in hand craves attention.

The legal landscape is replete with cases where invocation of serious/grievous allegations pertaining to the stringent penal provisions (such as those relating to the offence of cyber fraud), constitute an instrument of premeditated hyperbole, scrupulously invoked to artificially inflate the gravity of allegations, otherwise rooted in pecuniary bilateral transactions. However, a more ruminated scrutiny reflects the inherent nature of transgression to be that of *simpliciter* cheating, conspicuously devoid of the

ingredient of public detriment required of an offence pertaining to cyber fraud. In such a factual *milieu*, the rigid denial to exercise inherent powers as saved by way of Section 528 of the BNSS, 2023, to sanction an otherwise *bona fide* compromise/settlement of dispute(s), *solely,* because the FIR/Criminal Complaint is ridden with the allegations of cyber fraud, would tantamount to abdication of judicial duty, defeating the cause of substantial justice. For, it is an irrevocable judicial principle that a court, in its transcendent duty to ensure complete justice, must unflinchingly be cognizant of practical exigencies and social verities.

12.2. To determine as to whether offence(s) in question pertains to a situation where the allegations of cyber fraud have been made merely to lend severity or it is inherently a case of cyber fraud *simplicter*, the Court is, essentially, required to look into the entire factual *milieu* of the particular case in hand. No exhaustive set of guideline(s) to govern, the exercise of this aspect by the High Court, can possibly be laid down, however illecebrous this aspect may be. It is neither fathomable nor desirable to lay down any straightjacket formula in this regard. To do so would be to crystallize into a rigid definition, a judicial discretion, which for best of all reasons deserve to be left undetermined. Any attempt in this regard would be, to say the least, a *quixotic* endeavour. Circumstantial flexibility, one additional or different fact, may make a sea of difference between conclusions of two cases. *Ergo,* such exercise would thus, indubitably, be dependent upon the factual matrix of the particular case which the High Court is in *seisin* of, since every case has its own peculiar factual conspectus.

13. As a sequitur of the above rumination, the following postulates emerge:

I. The inherent jurisdiction vested in the High Court ought not be exercised for quashing of an FIR/Criminal Complaint, pertaining to the allegations of cyber fraud, *solely* on the basis of compromise/settlement. The pervasive public detriment and the systemic erosion of trust, irrevocably, supersedes, the purely private remedial adjustment, achieved between the complainant/victim and the accused.

II. Where a meticulous judicial appraisal of facts reflects that the cyber fraud allegations have been strategically invoked to lend unwarranted gravity and seriousness to otherwise *simpliciter* pecuniary transaction *inter-se* the Complainant/victim and the accused, the Court must not permit the rigidity of law to defeat the ends of justice and may sanction the *bona fide* compromise/settlement to put an end to the *lis.*

III. To effectually determine as to whether the case in hand falls within the ambit and scope of postulate (I) or postulate (II) (supra), the Court must undertake a scrupulous and granular scrutiny of the entire factual *milieu* of the case at hand.

No exhaustive guidelines can possibly be laid-down for exercise of aforesaid judicial discretion by a Court as every case has its own unique factual conspectus. There is no gainsaying that an order passed by the Court, while exercising such discretion, must be a speaking order clearly giving out reasons therein & must be in consonance with the basic canons of Justice, good conscience and equity.

Analysis (re facts of the present case)

14. Reverting to the facts of the present case, the *petition in hand* has been filed for quashing of the *impugned FIR* (as also the proceeding emanating therefrom) on the basis of compromise deed(s) dated 20.09.2025.

It is neither pleaded nor decipherable from the factual *milieu* of the case in hand that the rival private parties were known to each other before hand or that the offence is in the nature of a private dispute between them. On the contrary, a bare perusal of the contents of the FIR in question, as also the other factual aspects of the case in hand, it is abundantly deducible that the case in hand pertains to a cyber fraud *simpliciter*. *Ergo,* the *petition in hand* ought not to be entreated and deserves rejection.

Decision

15. In view of the prevenient ratiocination, it is ordained thus:

(i) The petition; seeking quashing of FIR No.38 dated 27.06.2025 (*the impugned FIR*) registered under Sections 318(4), 336(3), 338, 340, 61 of BNS at Police Station PS Cyber Sonipat, Haryana, as also the proceedings subsequent thereto, on the basis of a compromise deed dated 20.09.2025 (Annexure P-2); is dismissed.

(ii) Any observations made hereinabove shall not have any effect on the merits of the case and the trial Court/police shall proceed further, in accordance with law, without being influenced with the same.

(iii) No disposition as to costs, for the *nonce.*

(iv) Pending application(s), if any, shall also stand disposed of.

(SUMEET GOEL)
JUDGE

November 12, 2025
Naveen/Ajay

Whether speaking/reasoned: Yes
Whether reportable: Yes