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

+ CRL.M.C. 3733/2025 & CRL.M.A. 16380/2025, CRL.M.A.
16381/2025

GIAN PRAKASH ARORA & ANR.

.....Petitioners

Through: Ms. Prachi Gupta, Advocate with
Petitioners in person.

versus

THE STATE OF NCT OF DELHI AND ANRRespondents

Through: Mr. Mukesh Kumar, APP for the
State.

SI Ravi Kumar, PS: Mayapuri.

Mr. Nagender Deswal and Mr. Rishi
Raj Deswal, Advocates for R-2.

CORAM:

HON'BLE MR. JUSTICE SANJEEV NARULA

ORDER

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11.08.2025

1. The present petition filed under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023¹ (corresponding to Section 482 of the Code of Criminal Procedure, 1973²) seeks quashing of FIR No. 25/2017 dated 25th January, 2017, registered under Section 420 of the Indian Penal Code, 1860³ at P.S. Mayapuri, Delhi and all proceedings emanating therefrom.

2. Briefly stated, the case of the prosecution is as follows:

2.1. On the basis of a complaint filed under Section 156(3) of CrPC by Respondent No. 2, Rajender Kumar Gupta, proprietor of M/s Kumar Saree Palace, the Metropolitan Magistrate, *vide* order dated 20th December, 2016, directed registration of FIR No. 25/2017 against the Petitioners under

¹ "BNSS"

² "CrPC"

³ "IPC"



Section 420 of IPC. The allegation is that between November and December 2012, the Complainant advanced a sum of INR 32,95,000/- to the Petitioners' company, through bank transfers, as a friendly loan, evidenced by a receipt-cum-promissory note executed by Petitioner No. 2 on 27th December, 2012. The Petitioners allegedly undertook to repay the amount by 30th May, 2014, with interest at 24% per annum, but defaulted on the same.

2.2. Subsequently, at the Complainant's request and in purported discharge of their liability, the Petitioners issued Cheque No. 225043 dated 27th June, 2014 for INR 48,61,215/- drawn on HDFC Bank, which was dishonoured for the reason "insufficient funds". The Complainant then initiated proceedings under Section 138 of the Negotiable Instruments Act, 1881⁴, in CC No. 11642/2016. Thereafter, a Compromise Deed dated 18th September, 2015 was executed between the parties. Pursuant thereto, Petitioner No. 1, in the presence of Petitioner No. 2, issued six cheques of INR 8,10,000/- each, drawn on HDFC Bank, Janakpuri. Upon presentation, all six cheques were dishonoured with the endorsement "drawer's signature differs".

2.3. A legal notice dated 18th April, 2016, was then issued by the Complainant but was allegedly not received by the Petitioners. The complaints addressed to the SHO, P.S. Mayapuri, and the DCP (West), also elicited no response. It was only upon the directions of the Metropolitan Magistrate, that the present FIR came to be registered. Investigation revealed that the account on which the six cheques were drawn had Petitioner No. 2, Atul Arora, and one Manish Bansal as authorised



signatories, whereas the cheques in question were signed by Petitioner No.1, Gian Parkash Arora, who was not authorised to operate the account.

2.4. During investigation, the Petitioners were served notices under Section 41A of CrPC and joined the investigation. In the course of interrogation, it was allegedly admitted that Petitioner No. 1, Gian Parkash Arora, was not an authorised signatory to the bank account; nevertheless, cheques signed by him were handed over to Respondent No. 2. Both Petitioners were then arrested on 15th May, 2019 and subsequently released on bail. The Investigating Officer collected the account opening forms, KYC documents, and admitted signatures from the bank, along with specimen signatures available in the court record. On review of this material, a chargesheet was filed against the Petitioners under Sections 420, 46, 471 and 120B of IPC.

3. Now the parties have amicably resolved their disputes and differences, and have executed a settlement dated 11th March, 2025. Under its terms, Respondent No. 2 had decided not to pursue the present FIR against the Petitioners. The settlement has been noted in the orders dated 11th March, 2025 and 1st April, 2025 passed by DJ-03, South West District, Dwarka, New Delhi in Ex. Civil DJ ADJ 343/2024. In the said proceedings, on 24th April, 2025, Respondent No. 2 confirmed receipt of the full and final payment towards all dues and outstandings in respect of the proceedings initiated by him. Further, a No Objection Affidavit of Respondent No. 2 has been duly placed on record, confirming receipt of the full and final settlement amount.

4. Respondent No. 2, who has appeared before the Court in person,

⁴ “NI Act”



confirms the settlement as well as the receipt of the full and final payment of INR 1,05,00,000/- from the Petitioners. He further confirms that he has no surviving grievance against the Petitioners and has no objection to the quashing of the impugned FIR. In light of the amicable resolution between the parties, the Petitioners seek quashing of the subject FIR and all proceedings arising therefrom.

5. The Court has considered the submissions of the parties. Notably, the offences under Section 420, 468 and 471 of IPC are generally non-compoundable. However, it is well settled that in the exercise of its inherent powers under Section 482 of CrPC (corresponding to Section 528 BNSS), the Court may, in appropriate cases, quash proceedings in respect of non-compoundable offences if the parties have reached a genuine settlement and no overarching public interest is adversely affected. The Supreme Court in *Gian Singh v. State of Punjab & Anr.*⁵ has held as follows:

“11. As discussed above, offence punishable under Section 186/332/353 of the IPC are non-compoundable being of serious nature, however, if the Court feels that continuation of criminal proceedings will be an exercise in futility and justice in this case demands that the dispute between the parties is put to an end and peace is restored, it can order for quashing of the FIR or criminal proceedings as it is the duty of the Court to prevent continuation of unnecessary judicial process.

12. In view of the law discussed above, considering the Settlement arrived at between the parties and the statements of respondent no.1 & 2, I am of the considered opinion that this matter deserves to be given a quietus as continuance of proceedings arising out of the FIR in question would be an exercise in futility.”

[Emphasis added]

6. Further, in *Narinder Singh & Ors. v. State of Punjab & Anr.*,⁶ the

⁵ (2012) 10 SCC 303

⁶ (2014) 6 SCC 466



Supreme Court held as follows:

“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]

7. Although the offence under Sections 420, 468 and 471 of IPC cannot



be treated as strictly '*in personam*', and they touch upon public concerns rather than being confined to individual grievances, the Court must also account for the practical realities of securing a conviction in the present case. The Supreme Court has consistently held that in cases where the complainant has entered into a voluntary and *bona fide* settlement, and is no longer inclined to support the prosecution, the prospect of securing a conviction becomes exceedingly remote. In such circumstances, continuing the prosecution may not only prove futile, but would also serve no worthwhile public interest.

8. Respondent No. 2, who has appeared in person, has categorically expressed his unwillingness to pursue the matter further and has confirmed the settlement as voluntary and devoid of any coercion. Given this background, the continuation of criminal proceedings would amount to an empty formality, adding to the burden of the justice system and consuming public resources unnecessarily. Having regard to the totality of circumstances, and in view of the legal principles laid down by the Supreme Court, this Court finds the present case to be an appropriate one for exercise of jurisdiction under Section 528 of BNSS (corresponding to Section 482 of CrPC) to secure the ends of justice.

9. In view of the foregoing, the present petition is allowed and FIR No. 25/2017 dated 25th January, 2017, registered under Section 420 of IPC at P.S. Mayapuri, Delhi and all proceedings emanating therefrom are hereby quashed, subject to each Petitioner depositing costs of INR 5,000/- with the Delhi Police Welfare Fund, within a period of three weeks from today.

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

11. Accordingly, the petition is disposed of along with any pending



application(s).

AUGUST 11, 2025/*d.negi*

SANJEEV NARULA, J