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

\+ CRL.M.C. 6170/2025 & CRL.M.A. 26159/2025

MR RAKESH DUTTA & ANR ......Petitioners

Through: Ms. Rishu Agarwal and Mr. Vipul Sanghi, Advocates along with Petitioner No. 1 & 2 in person.

versus

STATE THE NCT OF DELHI & ANR ......Respondents

Through: Mr. Mukesh Kumar, APP for the State along with SI Dharmendra Sharma, PS Patel Nagar, Delhi. Respondent No. 2 in person.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

<u>O R D E R</u>

% 02.09.2025

1. The present petition filed under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023[1] (corresponding to Section 482 of the Code of Criminal Procedure, 1973[2]) seeks quashing of FIR No. 369/2020 dated 17th August, 2020, registered under Sections 420/465/120B/34 of the Indian Penal Code, 1860[3] at P.S. Patel Nagar and all consequential proceedings emanating therefrom.

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[1] "BNSS"
[2] "CrPC"
[3] "IPC"

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

2.1. A complaint was filed by PNB Housing Finance Ltd. (the Complainant/Respondent No. 2), a company incorporated under the Companies Act, 1956, with its registered office at Kasturba Gandhi Marg, New Delhi, engaged in providing credit and housing loan facilities. It is alleged that on 21st February, 2011, accused Rakesh Dutta and Meenakshi Dutta, residents of West Patel Nagar, approached the Complainant for a housing loan which was sanctioned to the tune of INR 40,34,325/- *vide* Loan Account No. XXXXXXXXXX2460 for purchase of the aforesaid property admeasuring 775 sq. ft. It is alleged that the said amount was disbursed and the above-noted property was offered as a collateral to the Complainant, by way of an equitable mortgage.

2.2. In support of the loan facility, one Bhuvnesh Kharbanda also a resident of West Patel Nagar, executed a Guarantee Agreement undertaking to discharge the liability in case of default by the borrowers. However, soon after disbursement, the borrowers defaulted in repayment, resulting in their account being classified as NPA. The Complainant accordingly initiated proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

2.3. On 02nd January, 2014, Punjab National Bank informed the Complainant that the said property had also been mortgaged with them in connection with another loan taken by one Sanjay Bhatia. This disclosure suggested that multiple mortgages had been created over the same property.

2.4. It is further alleged that the accused persons, in connivance with others, also mortgaged the same property with Axis Bank. According to the complainant, the accused adopted a modus operandi of preparing false and fabricated sale deeds and title documents, misrepresenting the same as genuine and unencumbered, and on that basis availed multiple loans with dishonest intention of not repaying them.

2.5. The allegation of the Complainant is that the accused persons never intended to repay the borrowed sum from the very beginning and had acted pursuant to a criminal conspiracy to siphon public money. By concealing prior encumbrances and mortgaging the same property multiple times on the strength of forged and fabricated documents, they are alleged to have caused wrongful loss to PNB Housing Finance Ltd., PNB, and Axis Bank, while securing wrongful gain for themselves. As of 25th November, 2014, they were allegedly liable to the complainant for INR 46,60,429/- along with future interest and penal charges.

2.6. On the basis of the above, it is contended that the acts of the accused constitute offences punishable under Sections 406, 420, 467, 468, 471, 120B and 34 IPC. The Complainant had undertaken to produce relevant loan and title documents to assist the investigation. By order dated 11th August, 2020, in Complaint Case No. 9222/2019, on an application under Section 156(3) CrPC, the ACMM, New Delhi, directed registration of FIR under Sections 420/465/120B/34 of IPC against the named persons.

3. The parties state that they have arrived at an amicable settlement and the Complainant had decided not to pursue the impugned FIR against the Petitioners. Pursuant to this settlement, a One Time Settlement has been entered into between the parties for a sum of INR 15,00,000/-. A letter dated 28th March, 2025, issued by the Complainant to the Petitioners, confirms acceptance of the full and final settlement of Loan Account No. XXXXXXXXXX2460 for purchase of the subject property. A copy of the

letter has been placed on record and perused by the Court.

4. The Complainant, who appears before the Court through Mr. Krishan Kumar, the company's Authorised Representative/Power of Attorney Holder, confirms the settlement and gives consent to the quashing of the impugned FIR. Further, Mr. Kumar confirms the receipt of the full and final settlement amount, in terms of the One Time Settlement. The Petitioners have also joined the proceedings in person and are duly identified by the Investigating Officer. 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. While the offences punishable under Sections 465 and 120B of IPC are non-compoundable, the offence punishable under 420 of IPC is compoundable by the person so cheated, with the permission of the Court.

6. It is well settled that in the exercise of its inherent powers under Section 482 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.***[4] 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*

[4] (2012) 10 SCC 303

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 an exercise in futility."

[Emphasis added]

7. Further, in ***Narinder Singh & Ors. v. State of Punjab & Anr.***,[5] the 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***:
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> *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.*
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> *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.***
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> ***While exercising the power the High Court is to form an opinion on either of the aforesaid two objectives****.*
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> *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.*
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> *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*

[5] (2014) 6 SCC 466

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]

8. Although the offences punishable under Sections 465 and 120B 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.

9. The Complainant, through its Authorised Representative/Power of Attorney Holder, categorically expresses its unwillingness to pursue the matter further and confirms receipt of the amount in terms of the One Time Settlement. 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 the CrPC) to secure the ends of justice.

10. In view of the foregoing, the present petition is allowed and FIR No.

369/2020 dated 17th August, 2020, registered under Sections 420/465/120B/34 of IPC at P.S. Patel Nagar and all consequential proceedings emanating therefrom are hereby quashed.

11. However, since the State machinery was set in motion based on the impugned FIR, it is appropriate to impose costs on the Petitioners. Accordingly, all the Petitioners are directed to deposit INR 10,000/- each with the Delhi Police Welfare Fund, within a period of four weeks from today.

12. Accordingly, the petition is disposed of along with the pending application(s).

SANJEEV NARULA, J

SEPTEMBER 2, 2025/MK