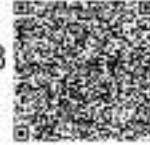


IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

275

2026 PHHC 023063



CRM-M-54244-2025 (O&M).
Date of decision: 12.02.2026.

MEGH RAJ RATHOR AND ANOTHER

...Petitioner(s)

VERSUS

STATE OF PUNJAB AND OTHERS

...Respondent(s)

CORAM : HON'BLE MR. JUSTICE VINOD S. BHARDWAJ

Present :- None for the petitioner(s).

Mr. Saurav Verma, Addl. A.G. Punjab.

None for respondents No.2 and 3.

VINOD S. BHARDWAJ, J. (Oral)

Prayer in the present petition under Section 528 of the Bharatiya
Nagarik Suraksha Sanhita, 2023 is for quashing of FIR bearing No.137 dated
11.07.2023 under Section(s) 406, 420 and 201 of the Indian Penal Code, 1860,
registered at Police Station City Rupnagar, District Rupnagar, Punjab, along
with all subsequent proceedings arising therefrom on the basis of compromise
dated 17.09.2025 (Annexure P-2).

The aforesaid FIR was registered on the statement of Iqbal Singh

son of Sardara Singh. The translated version of the same is reproduced as under: -

“Subject: Application for registration of case of fraud u/s 406, 417, 420 and 120-B IPC, against Dwarka Heights Cooperative Housing Society Ltd. Registration No. MSCS/CR/1061/2014 and its operators. Sir, I am to lodge complaint against Dwarka Heights Cooperative Housing Society Ltd. its operators and their cohorts, about whom facts and circumstances are mentioned below. 1. That one Mr. Pathania, having Mobile No. 98761-79232 claiming himself to be a representative of the above said society lured us, telling that a new diplomatic area is being developed in Dwarka area. There, a group housing scheme is launched primarily for senior officers, serving and retired. He persuaded me to be its member. Since I have no such unit Delhi, and often, i have to visit Delhi, I preferred to be its member. 2. Thus I filled relevant form No. 1090 for 3 BHK, Apartments. having an area admeasured 1750 sqft, on 4.9.2018; paying an amount of Rs. 7,55,000/(Rs. Seven Lakh Fifty Six Thousands only), through my HDFC Bank Pvt Ltd. A/c Chaque No. 000030, in favour of Dwarka Heights CH3 Ltd; and that cheque stood, encashed in the account of the Society. A photocopy of the cheque self attested and photocopy of form No. 1090, duly filled in self attested are annexed as Annexure C/1 (Colly.). 3. That vide letter No. DH-II/1090 Dated C.9.2012, the said society communicated a welcome message, and confirming provisional allotment of a residential unit. Alongwith the letter, a receipt of receiving an amount of Rs 756000/- was also sent to me. A photocopy of the latter, and a photocopy of the receipt, both self attested are annexed as Annexure R/2(Colly.). 4. That later, on 27.04.2019, another amount Rs. 462750/-was asked to be paid. The said amount of Rs. 462750/- (Rs. Four Lakh Sixty two Thousand Seven Hundred Filly only), was paid through Cheque No. 020031, of HDFC Bank A/c No. 01611050006171,

Dated 27.04.2019. This payment was told to be due, as per payment schedule, circulated vide letter Dated 6.09.2018. 5. That vide latter dated 6.09.2018 was also asked to pay another amount of Rs. 1249500/-The said amount of Rs. 1249500/- was paid through Cheque No. 000033 of HDFC Bank A/c 01611050086171 dated 26.10.2019 Photocopy of the cheque is annexed as Annexure C/3 (Colly.) 6. That was also issued a certificate titled as Authorized Share Capital Rs. 1,00000000/- Vide No. 806 Ledge Folio No. 806. A copy of the same is attached as Annexure C/4. That I am unable to locate anyone. No telephone responds. I have been defrauded. A case be registered and Investigated. In view of above, I request that case be registered u/s 406, 417, 420 & 120-B IPC, against the culprits, the society, its operators and its cohorts, who have caused an unlawful loss to me and taken an unlawful gain for themselves.”

However, with the intervention of the respectables, the parties have decided to compromise the matter. Hence, the present petition.

The parties were directed to appear before the learned trial Court/Illaq Magistrate vide order dated 25.09.2025 of this Court, to get their statements recorded regarding the compromise arrived at between the parties and a report in this regard was called for.

Status report already filed on behalf of the respondent-State is taken on record.

Pursuant to the said order, a report has also been received from the Chief Judicial Magistrate, Rupnagar, vide Memo No.1035 dated 31.10.2025. The relevant extract of the report is reproduced as under:-

<i>Name of the reporting Court</i>	<i>Sukhwinder Singh, Chief Judicial Magistrate, Rupnagar.</i>
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<i>FIR No.137</i>	<i>Dated</i>	<i>Police Station</i>	<i>Sections</i>
	<i>11.07.2023</i>	<i>City Rupnagar, Rupnagar</i>	<i>406, 420 and 201 IPC</i>

<i>Criminal Case no. before trial Court</i>	<i>CHI/81/2024 captioned as “State Vs. Megh Raj Rathore and another.”</i>
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<i>1.</i>	<i>Names of the complainant/ victims(s)/ aggrieved persons(s)</i>	<i>Iqbal Singh and Rajinder Singh</i>
<i>2.</i>	<i>Dates on which the statement(s) of the complainant/ victims(s)/ aggrieved persons(s) were recorded</i>	<i>16.10.2025</i>
<i>3.</i>	<i>Has the identity of the complainant/ victims(s)/ aggrieved persons(s) been verified?</i>	<i>Yes</i>
<i>4.</i>	<i>Whether all the victims/ all the aggrieved persons have compromised the matter?</i>	<i>Yes</i>
<i>5.</i>	<i>Is there pressure, threat, or coercion upon the victim(s)/aggrieved person(s)/complainant?</i>	<i>No</i>
<i>6.</i>	<i>Names of the accused person(s)</i>	<i>Megh Raj Rathore, Pathania. Kulbhushan pertinent to mention here that two other persons namely It is Paratik Pahawa and Himmat Singh have been kept as accused in column no.2 of the challan.</i>

7.	<i>Dates on which the statement(s) of the accused persons(s) recorded</i>	16.10.2025
8.	<i>Whether all the accused have compromised the matter? If no, then the names of the accused who have compromised.</i>	<i>No statement of the complainants, only two accused namely Magh Raj Rathore and Kulbhushan Pathania have the compromised matter. It is pertinent to mention here that accused namely Paratik Pahawa and Himat Singh have been kept in column No.2 of the challan and till date, challan has not been presented against them.</i>
9.	<i>Whether proclamation proceedings are pending against any accused?</i>	No
10.	<i>Has the police report been filed or not?</i>	Yes
11.	<i>Notice of accusation /Charges have been framed or not?</i>	Yes
12.	<i>Sections of statutes invoked in the matter</i>	<i>In the present FIR, accused persons namely Magh Raj Rathore Kulbhushan and Pathania have been charge sheeted under Section 406, 420 and 201 IPC.</i>
13.	<i>Whether the court is satisfied with the genuineness of the compromise?</i>	Yes

5. In view of the above statements suffered by both the parties, this Court is satisfied that compromise between the parties has been effected voluntarily without any threat or coercion and is genuine/correct. The compromise is not the result of any fraud or misrepresentation and is the result of free will of the parties. The original statements of both the parties, Investigating Officer along with copy of compromise and Aadhar Cards are annexed herewith for kind perusal of your good-self and necessary action, please. The report is hereby submitted accordingly.

Learned State counsel does not dispute the factum of the compromise amongst the parties and does not have any serious objection to the resolution of the dispute amongst the parties.

Hon'ble Supreme Court in the matter of '**CBI, ACB Mumbai v. Narendra Lal Jain and others**', reported as (2014) 5 SCC 364, held as under:-

13. In the present case, as already seen, the offence with which the respondent-accused had been charged are under Sections 120-B/420 of the Penal Code. The civil liability of the respondents to pay the amount to the Bank has already been settled amicably. The terms of such settlement have been extracted above (see para 3). No subsisting grievance of the Bank in this regard has been brought to the notice of the Court. While the offence under Section 420 IPC is compoundable the offence under Section 120-B IPC is not. To the latter offence the ratio laid down in B.S. Joshi [(2003) 4 SCC 675] and Nikhil Merchant [(2008) 9 SCC 677] would apply if the facts of the given case would so justify. The observation in Gian Singh [(2012) 10 SCC 303] (para 61) will not be attracted in the present case in view of the offences alleged i.e. under Sections 420/120-B IPC.

14. In the present case, having regard to the fact that the liability to make good the monetary loss suffered by the Bank had been mutually settled between the parties and the accused had accepted the liability in this regard, the High Court had thought it fit to invoke its power under Section 482 CrPC. We do not see

how such exercise of power can be faulted or held to be erroneous. Section 482 of the Code inheres in the High Court the power to make such order as may be considered necessary to, inter alia, prevent the abuse of the process of law or to serve the ends of justice. While it will be wholly unnecessary to revert or refer to the settled position in law with regard to the contours of the power available under Section 482 CrPC it must be remembered that continuance of a criminal proceeding which is likely to become oppressive or may partake the character of a lame prosecution would be good ground to invoke the extraordinary power under Section 482 CrPC.

The following relevant factors emerge from perusal of the case as well as the subsequent developments supplementing a case for invocation of the powers under Section 528 BNSS:-

- (i) The allegations arise out of membership in a Cooperative Housing Society and payments made pursuant to a housing scheme. The dispute essentially concerns non-delivery of a residential unit and alleged failure to fulfil contractual obligations. Such matters ordinarily fall within the domain of civil law, including remedies for breach of contract, recovery of money, or proceedings under the Cooperative Societies Act and consumer protection legislation.
- (ii) All payments were made through banking channels via cheques, and receipts were issued by the Society. The entire controversy revolves around documentary evidence, allotment letters, payment schedules and correspondence, which are matters capable of adjudication before civil fora.

- (iii) Invocation of criminal machinery in what is substantially a contractual dispute may amount to converting a civil claim into a criminal prosecution.
- (iv) The parties have settled the dispute and in such circumstances continuation of criminal proceedings may serve no meaningful purpose.
- (v) The offence in question cannot be said to be heinous or as an offence that would be shocking to the conscience of the society or public at large. It can also not be termed as one shocking to the conscience of the Court;
- (vi) Continuation of the proceedings with the complainant unlikely to support the case of the prosecution, would serve no larger public purpose and only result in futile expenditure of judicial time.

In view of the report of the Chief Judicial Magistrate, Rupnagar and having regard to the settled principles laid down by the Hon'ble Supreme Court on the subject, the instant petition is allowed. FIR bearing No.137 dated 11.07.2023 under Section(s) 406, 420 and 201 of the Indian Penal Code, 1860, registered at Police Station City Rupnagar, District Rupnagar, Punjab, along with all subsequent proceedings arising therefrom, is hereby quashed on the basis of compromise dated 17.09.2025 (Annexure P-2) entered between the parties. However, the same would be subject to payment of costs of Rs.22,000/- to be deposited by the petitioner(s) each with the High Court Legal Services Committee, Chandigarh, within two months from receipt of a certified copy of this order.

Petition is allowed in above terms.

February 12, 2026.
raj arora

(VINOD S. BHARDWAJ)
JUDGE

Whether speaking/reasoned : *Yes/No*
Whether reportable : *Yes/No*