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

\# **CNR No. DLHC010194092026**

\+ CRL.M.C. 3417/2026

NEERESH KUMARI & ANR. .....Petitioners

Through: Mr. Dhanmohan, Ms. Tanu B Mishra, Ms. Tanisha Bhatia, Ms. Ananya Mishra, Ms. Shivani, Ms. Raveena Sharma and Mr. Amit Kumar Singh, Advocates.

versus

STATE GOVT. OF NCT OF DELHI AND ANR. .....Respondents

Through: Mr. Tarang Srivastav, APP for the State with Mr. Abhav Sahni, Advocate.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

O R D E R

% 28.10.2026

1. The present petition under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023, seeks quashing of FIR No. 64/2023 dated 24th February, 2023, registered at P.S. Rani Bagh, Delhi, under Sections 420/467/468/471/120B of the Indian Penal Code, 1860 ["IPC"], along with all proceedings emanating therefrom, on the ground of settlement.

2. The Petitioners, who are husband and wife, are accused of having obtained a loan of INR 15,00,100/- from Respondent No. 2-State Bank of India ["Bank"], by allegedly furnishing forged and fabricated documents. Upon default in repayment, the Bank lodged a complaint resulting in registration of the impugned FIR. Upon completion of investigation, a chargesheet was filed under Sections 420/467/468/471/120B IPC.

3. During the pendency of the proceedings, the Petitioners and the Bank

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amicably resolved their disputes before the Delhi High Court Mediation and Conciliation Centre and executed a Settlement Agreement dated 14th December, 2023, a copy whereof has been placed on record. The relevant terms of the settlement read as follows:

> *"1. It is agreed between the parties that the loan amount as on 30.11.2023, works out to be Rs. 12,59,201/- against which on 13.12.2023 an amount of Rs. 2.50,000/- has been paid living behind an amount Rs.10,09,2017- plus*
> *interest component for the month of December 2023.*
> *2. Against the balance amount aforesaid, First Party shall continue to pay regular monthly installment of Rs. 25,000/- from 01.01.2024 to 31.12.2024 on every 7th day of English Calendar month and thereafter the entire balance amount shall be deposited by the First Purty on 28.02.2025 or on a date of getting be retiral benefits along with accrued interest components on the reducing balance at the rate of 13% per annum will be paid by the First Party.*
> *3. It is further agreed that the First Party shall file all necessary documents of the property situated at village Nangla Dhir, Nagaria District Firozabad U.P. in the name of her husband, alongwith redemption deed and No Objection and no dues certificate from his employer JNU New Delhi, on or before 24.12.2023 with the Second Party so secure the outstanding loan amount and further create equitable mortgage of his property in favour of State Bank of India, Saraswati Vihar, Delhi (Second Party) by depositing original title deeds alongwith redemption deed. No Objection Certificate and No dues Certificate, of the said property with Second Party. First Party has furnished the photocopies of the title deed and mortgage deed on 14.12.2023 with the Second Party to take necessary steps to obtain the search report from their advocate on record for which first party shall render all physical co-operation to get the verification report conducted on or before 02.01.2024. In case this property is found unfit for equitable mortgage, the First Party shall furnish the title documents of any other viable properties preferably of some Delhi Property for the purpose of requisite title verification report as per banks procedure However in the meantime, the First Party shall continue to deposit agreed monthly installments of Rs. 25000/- from 01.01.2024 till 31.12.2024.*
> *4. It is further agreed between the parties that after the payment of the entire loan amount with interest at the rate of 13% p.a. (monthly rest) and any other expenses, if incurred by the Second Party within the above stated stipulated period, the property mortgaged by the depositor shall be released to the First Party.*
> *5. That on receipt of entire loan amount alongwith accrued interest from the First Party, the Second Party shall cooperate with the First Party*

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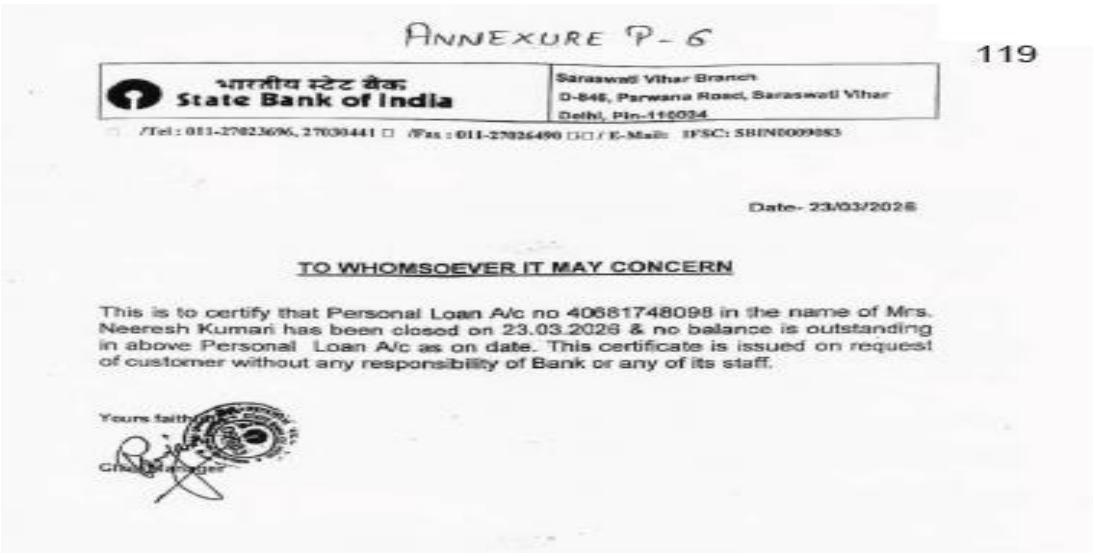
in getting the above said FIR No. 64/2023 at P.S: Rani Bagh U/s 420/467/468/471/120-B/34 IPC, quashed qua the First Party only and not against the other accused persons

6. That it is agreed between the parties that the entire loan amount alongwith accrued interest shall be cleared by the First Party within stipulated period as stated above from the date of signing of the present Settlement Agreement

7. That the Parties have undertaken to the Hon'ble High Court to remain bounded by the terms of the present Settlement Agreement. The settlement has been reached between the parties voluntarily and without any force. pressure or coercion from anybody,

8. The Settlement Agreement has been read over and explained to the parties in their Vernacular by the mediator and their respective counsels."

4. Pursuant to the settlement, the Petitioners have repaid the entire outstanding loan amount along with accrued interest. Consequently, the Bank issued a No Dues Certificate dated 23rd March, 2026, which reads as follows:



ANNEXURE P-6

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भारतीय स्टेट बैंक
State Bank of India

Saraswati Vihar Branch
D-845, Parwana Road, Saraswati Vihar
Delhi, Pin-110034

/Tel : 011-27023696, 27030441 /Fax : 011-27026490 /E-Mail: IFSC: SBIN0009083

Date- 23/03/2026

TO WHOMSOEVER IT MAY CONCERN

This is to certify that Personal Loan A/c no 40681748098 in the name of Mrs. Neeresh Kumari has been closed on 23.03.2026 & no balance is outstanding in above Personal Loan A/c as on date. This certificate is issued on request of customer without any responsibility of Bank or any of its staff.

Yours faithfully,

Chief Manager

5. The property mortgaged by the Petitioners as security for repayment of the loan has also been released pursuant to the settlement.

6. Counsel appearing for the Bank does not dispute receipt of the entire outstanding loan amount with interest or issuance of the aforesaid No Dues

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Certificate. However, it is contended that certain further amounts remain payable by the Petitioners towards legal expenses incurred by the Bank in pursuing the proceedings. Reliance is placed on the statement of charges annexed as Annexure P-8, reflecting an outstanding amount of approximately INR 2,30,000/-. It is submitted that Clause 4 of the Settlement Agreement expressly contemplates payment of "other expenses" incurred by the Bank and, therefore, the settlement cannot be treated as fully implemented.

7. The Court has considered the submissions advanced by counsel for the parties and perused the material placed on record. The objection raised by the Bank must be examined in the context of the terms of the Settlement Agreement. Clause 4 of the Settlement Agreement contemplates release of the mortgaged property upon payment of the loan amount, accrued interest and other expenses, if incurred by the Bank. Admittedly, the Bank has issued the No Dues Certificate and released the mortgaged property. The obligations contemplated under the said clause, insofar as they concern repayment of the loan and release of the security, have thus been acted upon.

8. More importantly, Clause 5 specifically obligates the Bank to cooperate in quashing the impugned FIR upon receipt of the entire loan amount with accrued interest. It does not stipulate payment of legal expenses as a further condition for such cooperation. The stipulated condition stands satisfied as noted above.

9. Reference may also be made to Clause 11 of the Settlement Agreement, which reads as follows:

> *"11. It is agreed between the parties that the loan amount as on 30,11.2033, which works out to be Rs. 12,59,201 /- plus the Interest component accrued during the period of repayment by way of installments*

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as mentioned above, payable to the Second Party by the First Party. No further claims or demands qua the present dispute shall be claimed by the Second Party qua the First Party except the aforesaid interest components and expenses etc."

10. Therefore, although Clauses 4 and 11 contemplate payment of expenses, they do not alter the specific condition prescribed under Clause 5 for cooperation in quashing the FIR. Since the Bank admittedly received the entire loan amount with accrued interest, its claim towards legal expenses cannot constitute an impediment to quashing the impugned FIR.

11. Notably, while the offences under Sections 467/468/471 IPC are non-compoundable, the offence under Section 420 IPC is compoundable with the permission of the Court. The offence under Section 120B IPC, insofar as it relates to the alleged conspiracy to commit the aforesaid offences, is also non-compoundable.

12. It is well settled that the inherent power of the High Court under Section 482 of the Code of Criminal Procedure, 1973 [corresponding to Section 528 BNSS], to quash criminal proceedings is distinct from the power of compounding under Section 320 CrPC. Such power may be exercised even in cases involving non-compoundable offences where the parties have settled their dispute, albeit sparingly and with caution. The guiding considerations are whether the exercise of such power would secure the ends of justice or prevent abuse of the process of the Court, having due regard to the nature and gravity of the offences. In ***Narinder Singh & Ors. v. State of Punjab & Anr.***,[1] the Supreme Court reiterated that, in appropriate cases, criminal proceedings may be quashed where the possibility of conviction is remote and bleak and their continuation would serve no useful

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purpose.

13. In the present case, the allegations concern cheating and forgery in connection with a bank loan and cannot be regarded as purely private merely because the parties have settled their dispute. Nevertheless, the entire outstanding loan amount with accrued interest has been repaid pursuant to a mediated settlement. The Bank has acknowledged receipt, issued a No Dues Certificate and released the mortgaged property. Its outstanding claim towards legal expenses, as discussed above, does not affect the fulfilment of the condition stipulated under Clause 5 for cooperation in quashing the impugned FIR.

14. Considering the nature of the underlying transaction, the implementation of the mediated settlement and satisfaction of the Bank's loan claim, the Court is of the view that continuation of the criminal proceedings against the Petitioners would serve no fruitful purpose. Accordingly, this Court considers it appropriate to exercise its jurisdiction under Section 528 BNSS to secure the ends of justice.

15. Accordingly, the present petition is allowed. FIR No. 64/2023 and all consequential proceedings emanating therefrom are hereby quashed qua the Petitioners only, without affecting the proceedings against the other accused persons.

16. Parties shall abide by the terms of settlement.

17. The petition stands disposed of.

SANJEEV NARULA, J

OCTOBER 28, 2026/*ng*

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[1] (2014) 6 SCC 466.

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