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

\# **CNR No. DLHC010276792025**

\+ CRL.M.C. 3225/2025 CRL.M.A. 14214-14215/2025 CRL.M.A. 10890/2026

ASSET RECONSTRUCTION COMPANY (INDIA) LIMITED .....Petitioner

Through: Mr. Anurag Ahluwalia, Sr. Adv. with Mr. Kushal Kumar, Mr. Rishabh Saxena and Ms. Tanya Manik, Advs. Mr. Palash Mittal, (through vc)

versus

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

Through: Mr. Sanjeev Sabharwal, APP for State Mr. Sanjeev Sarawat, Adv. for R-2

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\# **CNR No. DLHC010387912025**

\+ CRL.M.C. 4152/2025 CRL.M.A. 18159/2025

CSB BANK LTD. & ORS. .....Petitioners

Through: Mr. Rushabh Chopra, Adv. (through vc)
Mr. Aditya Gupta, CSB Bank (through vc)

versus

STATE (NCT OF DELHI) & ANR. .....Respondents

Through: Mr. Sanjeev Sabharwal, APP for State Mr. Sanjeev Sarawat, Adv. for R-2
R-2 (through vc)

CORAM:
HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

O R D E R

% 28.10.2026

1. CRL.M.C. 3225/2025 and CRL.M.C. 4152/2025, both, have been filed under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023

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('BNSS') seeking quashing of FIR No. 0081/2020 dated 13.11.2020, registered at P.S. Connaught Place, New Delhi, under Sections 420/468/471/120B of the Indian Penal Code, 1860 ('IPC'), and all consequential proceedings emanating therefrom.

2. CRL.M.C. 3225/2025 has been filed by Asset Reconstruction Company (India) Limited ('ARC'), whereas CRL.M.C. 4152/2025 has been filed by CSB Bank Limited and its officers, namely, petitioner nos. 2 and 3. Both petitions arise out of the same FIR, registered on the complaint of respondent no. 2, Mr. Pradeep Misra, concerning allegations of forgery and use of forged documents in relation to certain financial facilities and the documents executed in connection therewith.

CRL.M.C. 3225/2025 and CRL. M.A. 10890/2026

3. This petition was initially filed seeking quashing of the FIR on *merits*. However, during the pendency of the petition, the petitioner entered into a settlement with the complainant, i.e., respondent no. 2. *Vide* order dated 16.12.2025, this Court had referred the parties to mediation to explore amicable resolution of their disputes. The parties have thereafter amicably settled their disputes and, by way of CRL.M.A. 10890/2026, a joint application has been filed placing on record the Settlement Agreement dated 13.03.2026, with a prayer to record the settlement and quash the subject FIR.

4. Mr. Pradeep Misra, respondent no. 2/complainant, has joined the proceedings through video conferencing ('VC') link. He is represented by his counsel and has been identified by the Investigating Officer ('IO').

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5. Learned counsel appearing for respondent no. 2 submits that, under the terms of the Settlement Agreement dated 13.03.2026, respondent no. 2 has acknowledged that the petitioner, being a subsequent assignee of the financial facilities in question in the year 2012, had no role to play in the allegations levelled in the subject FIR.

5.1. He further submits that respondent no. 2 has agreed to pay a sum of Rs.70,00,000/- to the petitioner towards discharge of all his liabilities arising out of the loan documents and deed of guarantee executed in the year 2001. The said amount is to be paid out of the fixed deposits lying deposited with the Debt Recovery Tribunal-II, Delhi ('DRT'), and any amount in excess thereof is to be refunded to respondent no. 2.

5.2. He submits that, upon compliance with the relevant terms of the Settlement Agreement, all claims, rights, remedies and demands of the petitioner against respondent no. 2 arising out of the guarantee and mortgage documents shall stand fully satisfied.

5.3. He further submits that the settlement has been partly implemented before the DRT. However, the obligation regarding release of the original sale deed/title documents of the property, as recorded in Clause 8 of the Settlement Agreement, remains to be fulfilled. He submits that the affidavit of respondent no. 2, filed along with CRL.M.A. 10890/2026, is also on record, wherein he has affirmed the settlement and expressed his no objection to the quashing of the subject FIR qua the petitioner.

6. Learned counsel appearing for the petitioner states that the original sale deed/title documents of the property, which are presently deposited with

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the learned DRT, shall be released to respondent no. 2 within one (1) week from today.

7. Mr. Palash Mittal, the authorised representative of ARC, has joined the proceedings through video conferencing. He submits that the original sale deed/title documents have been deposited with the DRT and the petitioner company shall take appropriate steps by filing an application before the DRT to ensure that the same are released and handed over to respondent no. 2 within one (1) week from today.

CRL.M.C. 4152/2025

8. Learned counsel for respondent no. 2 submits that, in view of the settlement arrived at between respondent no. 2 and ARC, which is the petitioner in CRL.M.C. 3225/2025, respondent no. 2 has no objection to the relief of quashing sought in the present petition as well.

9. Mr. Aditya Gupta, representing CSB Bank Limited, has joined the proceedings through VC and is represented through counsel. He submits that, after assignment of the debt in favour of ARC, CSB Bank Limited has no concern with the outstanding debt of respondent no. 2. He further submits that CSB Bank Limited has no objection to the submissions made on behalf of respondent no. 2 and to the present petition being allowed.

10. Mr. Sanjeev Sabharwal, learned APP for the State, submits that matter is still pending investigation and no chargesheet has been filed in the subject FIR. He submits that the State has no objection to the relief of quashing since a settlement has been arrived at between the petitioner in CRL.M.C.

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3225/2025 and respondent no. 2. He states that the disputes are commercial in nature.

11. The Court has heard the learned counsel for the parties and has perused the terms of the Settlement Agreement dated 13.03.2026.

12. It is submitted by the parties that settlement has been arrived at between ARC and respondent no. 2, Mr. Pradeep Misra, voluntarily and without any coercion or undue influence. The same has been duly affirmed by respondent no. 2 by way of an affidavit placed on record.

13. It is also evident that the dispute arises out of certain financial facilities and the documents executed in connection therewith. The subsequent assignment of the debt in favour of ARC has also been acknowledged by respondent no. 2 under the Settlement Agreement. CSB Bank Limited has separately clarified that, after assignment of the debt, it has no concern with the outstanding liability of respondent no. 2 and has no objection to the quashing of the FIR *qua* itself and its officers.

14. The State has also expressed no objection to the quashing, particularly in view of the commercial nature of the dispute.

15. Keeping in view the guidelines of the Supreme Court in **Narinder Singh & Ors. v. State of Punjab & Anr.**[1]**,** that when the criminal cases arose out of commercial transaction, such cases should be quashed when the parties have resolved their entire disputes among themselves, this Court find no impediment in allowing the quashing of the subject FIR to meet the ends

[1] (2014) 6 SCC 466, at paragraph no. 29.4

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of justice.

16. Therefore, in view of the settlement arrived at between ARC and respondent no. 2, and the express 'no objection' of respondent no. 2 to the quashing of the subject FIR *qua* the petitioners in both petitions, this Court is of the view that no useful purpose would be served by continuing the proceedings against the petitioners.

17. Accordingly, CRL.M.A. 10890/2026 is allowed and the Settlement Agreement dated 13.03.2026 executed between ARC and respondent no. 2 is taken on record.

18. Consequently, both the petitions are allowed and FIR No. 0081/2020 dated 13.11.2020, registered at P.S. Connaught Place, New Delhi, under Sections 420/468/471/120B IPC, and all consequential proceedings emanating therefrom, are quashed.

19. ARC and respondent no. 2 shall remain bound by the terms of the Settlement Agreement dated 13.03.2026.

20. The petitioner in CRL.M.C. 3225/2025 shall take the requisite steps before the learned DRT for release and handing over of the original sale deed/title documents to respondent no. 2 within one (1) week from today, as undertaken before this Court.

21. With the consent of respondent no. 2, both the petitions stand allowed in the above terms. Pending applications stand disposed of.

22. The digitally signed copy of this order, duly uploaded on the official

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website of the Delhi High Court, www.delhihighcourt.nic.in, shall be treated as a certified copy of the order for the purpose of ensuring compliance. No physical copy of order shall be insisted by any authority/entity or litigant.

MANMEET PRITAM SINGH ARORA, J

OCTOBER 28, 2026/msh/AM

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