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

+ **W.P.(CRL) 2484/2015**

RAJIV NARANG & ORS

..... Petitioner

Through: Ms. Meera Kavra Patel, Adv. along
with the petitioners in person

versus

STATE AND OTHERS

..... Respondent

Through: Ms. Richa Kapoor, ASC for the State
with Mr. Ashish Negi, Adv.
Mr. C. Parkash, Adv. for R-2 along
with R-2 in person

CORAM:

HON'BLE MR. JUSTICE ASHUTOSH KUMAR

ORDER

% **30.10.2015**

Crl. M.A.15887/2015

Exemption granted subject to all just exceptions.

Application stands disposed of.

W.P.(CRL) 2484/2015

The petitioners have sought quashing of the FIR No.372/2012 (PS Maurya Enclave) registered under Sections 406 and 420 of the IPC.

The petitioners, while carrying on their business in the name of M/s Narang Shoes Pvt. Ltd., came in contact with respondent No.2, who was also running a business in the name and style of Import Export and Trading Company in the Maurya Enclave, Pitampura. Business relationship and

regular commercial transactions between the parties continued for quite some time when some dispute arose. The dispute between the petitioners and respondent No.2 led to filing of a complaint by the petitioners against respondent No.2.

The prayer on behalf of the petitioners for registration of the FIR on the basis of the complaint referred to above was rejected and during the course of prosecuting the complaint, the same was withdrawn by the petitioners.

It has been submitted that thereafter respondent No.2 lodged the subject FIR (FIR No.372/2012) against the petitioners under Sections 406 and 420 of the IPC which is still pending investigation.

Series of cases, thereafter, were filed by the parties against each other. Respondent No.2 filed a complaint under Section 138 of the Negotiable Instrument Act against the petitioners whereas the petitioners preferred two civil suits for recovery of the amount, which according to them, was due against respondent No.2.

However, sensing the futility of continuing with the litigation and that also for commercial and business transactions, the petitioners and respondent No.2 chose to settle their disputes. As a result thereof a written settlement/ Memorandum of Understanding was drawn up which indicated that the parties were agreeable for mutual settlement of the disputes/claims.

Pursuant to the aforesaid settlement, the court below was intimated about the settlement. The Complaint under Section 138 of the Negotiable Instruments Act lodged by Respondent No.2 was withdrawn and one of the recovery suits preferred by the petitioners were also withdrawn. The other

recovery suit is still pending before the High Court of Delhi and the same is to be withdrawn shortly. The compromise deed dated 30.8.2015 has been brought on record.

From the averments made in the FIR itself, it would appear that the dispute purely arises out of business transactions and is inter personal in nature and does not have the potency of affecting the society at large.

In ***Gian Singh vs. State of Punjab & Another, (2012) 10 SCC 303***, the Supreme Court has held that cases which are not compoundable under Section 320 of the Cr.P.C. could also be quashed, when continuation of any criminal proceeding would be an exercise in futility and where justice demands that the dispute between the parties should be put to an end and peace is restored. But ending of such criminal proceedings could only be ordered for securing the ends of justice.

The Supreme Court has further observed in *Gian Singh vs. State of Punjab & Another* (Supra):

“58..... No doubt, crimes are acts which have harmful effect on the public and consist in wrongdoing that seriously endangers and threatens the well-being of the society and it is not safe to leave the crime-doer only because he and the victim have settled the dispute amicably or that the victim has been paid compensation, yet certain crimes have been made compoundable in law, with or without the permission of the court. In respect of serious offences like murder, rape, dacoity, etc., or other offences of mental depravity under IPC or offences of moral turpitude under special statutes, like the Prevention of Corruption Act or the offences committed by public servants while working in that capacity, the settlement between the offender and the victim

can have no legal sanction at all. However, certain offences which overwhelmingly and predominantly bear civil flavour having arisen out of civil, mercantile, commercial, financial, partnership or such like transactions or the offences arising out of matrimony, particularly relating to dowry, etc. or the family dispute, where the wrong is basically to the victim and the offender and the victim have settled all disputes between them amicably, irrespective of the fact that such offences have not been made compoundable, the High Court may within the framework of its inherent power, quash the criminal proceeding or criminal complaint or FIR if it is satisfied that on the face of such settlement, there is hardly any likelihood of the offender being convicted and by not quashing the criminal proceedings, justice shall be casualty and ends of justice shall be defeated. The above list is illustrative and not exhaustive. Each case will depend on its own facts and no hard-and-fast category can be prescribed.”

[Refer to B.S. Joshi, (2003) 4 SCC 675; Nikhil Merchant, (2008) 9 SCC 677 and Manoj Sharma, (2008) 16 SCC 1.]

In *Narinder Singh & Ors. Vs. State of Punjab & Anr.* 2014 6 SCC 466,
the pertinent observations of the Apex Court are as under:-

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.

29.6. Offences under Section 307 IPC would fall in the category of heinous and serious offences and therefore are to be generally treated as crime against the society and not against the individual alone. However, the High Court would not rest its decision merely because there is a mention of Section 307 IPC in the FIR or the charge is

framed under this provision. It would be open to the High Court to examine as to whether incorporation of Section 307 IPC is there for the sake of it or the prosecution has collected sufficient evidence, which if proved, would lead to proving the charge under Section 307 IPC. For this purpose, it would be open to the High Court to go by the nature of injury sustained, whether such injury is inflicted on the vital/delegate parts of the body, nature of weapons used, etc. Medical report in respect of injuries suffered by the victim can generally be the guiding factor. On the basis of this prima facie analysis, the High Court can examine as to whether there is a strong possibility of conviction or the chances of conviction are remote and bleak. In the former case it can refuse to accept the settlement and quash the criminal proceedings whereas in the latter case it would be permissible for the High Court to accept the plea compounding the offence based on complete settlement between the parties. At this stage, the Court can also be swayed by the fact that the settlement between the parties is going to result in harmony between them which may improve their future relationship.

29.7. While deciding whether to exercise its power under Section 482 of the Code or not, timings of settlement play a crucial role. Those cases where the settlement is arrived at immediately after the alleged commission of offence and the matter is still under investigation, the High Court may be liberal in accepting the settlement to quash the criminal proceedings/investigation. It is because of the reason that at this stage the investigation is still on and even the charge-sheet has not been filed. Likewise, those cases where the charge is framed but the evidence is yet to start or the evidence is still at infancy stage, the High Court can show benevolence in exercising its powers favourably, but after prima facie assessment of the circumstances/material mentioned above. On the other hand, where the prosecution evidence is almost complete or after the conclusion of the evidence the matter is at the stage of argument, normally the High Court should refrain from exercising its power

under Section 482 of the Code, as in such cases the trial court would be in a position to decide the case finally on merits and to come to a conclusion as to whether the offence under Section 307 IPC is committed or not. Similarly, in those cases where the conviction is already recorded by the trial court and the matter is at the appellate stage before the High Court, mere compromise between the parties would not be a ground to accept the same resulting in acquittal of the offender who has already been convicted by the trial court. Here charge is proved under Section 307 IPC and conviction is already recorded of a heinous crime and, therefore, there is no question of sparing a convict found guilty of such a crime.”

Thus, the inherent powers of the High Court, having a wide plenitude could be used for quashing the FIR for securing the ends of justice and to prevent the abuse of the process of the court.

Keeping in mind the facts of this case and the settlement between the parties, allowing the criminal proceeding to be continued any further would not be in accord with the guiding factor namely securing the ends of justice.

Considering the aforesaid facts, the subject FIR (FIR No.372/2012; P.S Maurya Enclave) and all the emanating proceedings therefrom are set aside.

The petition is disposed of.

Dasti.

ASHUTOSH KUMAR, J

OCTOBER 30, 2015

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