

\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**  
+ **CRL.M.C. 2486/2016**

Date of Decision: November 17<sup>th</sup>, 2016

**NIRMAL ANAND & ORS** ..... Petitioners

Through: **Mr.Gaurav Dubey, Adv.**  
versus

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

Through: **Ms.Manjeet Arya, APP.**

**Mr.Rakesh Rajmurti, Adv. for R-2.**

**CORAM:**

**HON'BLE MR. JUSTICE P.S.TEJI**

**P.S.TEJI, J.**

1. The present petition under Section 482 Cr.P.C. has been filed by the petitioners, namely, Smt. Nirmal Anand, Sh. Vijay Kumar Manchanda and Sh. Vikram Manchanda for quashing of FIR No.182/2016 dated 20.04.2016, under Sections 406/420/120-B IPC registered at Police Station Sadar Bazar on the basis of settlement arrived at before the Delhi Mediation Centre, Tis Hazari Courts, Delhi between the petitioners and respondent no.2 namely, Sh. Mohit Manchanda on 02.06.2016.

2. Learned Additional Public Prosecutor for respondent-State submitted that the respondent no. 2 present in the Court has been identified to be the complainant/first informant in the FIR in question by his counsel.

3. The factual matrix of the present case is that the complainant's grandfather expired on 17.10.2001 and was survived by 5 legal heirs namely Smt. Nirmal Anand, Sh. Subhash Chand Manchanda, Sh. Vijay Kumar Manchanda, Smt. Dheeraj Takkar, Late Sh. Sham

Sunder Manchanda. It is alleged that the grandfather of the complainant in his lifetime got registered a firm in the name and style of “Universal Perfumery Company (Regd.)” and joined Sh. Subhash Chand Manchanda and Sh. Vijay Kumar Manchanda as a partner of equal shareholders at shop no.5643, Gandhi Market, Sadar Bazar, Delhi-10006 for selling the products of cosmetics under so many brands which were manufactured in various factories. It is alleged that Sh. Subhash Chand Manchanda and Sh. Vijay Kumar Manchanda didn’t inform/intimate the bank manager of the Bank of Baroda Branch Sadar Bazar, Delhi-10006 about death of the grandfather of the complainant and made transactions with an account bearing no.00910200001581, in use for the business purpose of “Universal Perfumery Company (Regd.)” by the partners, without permission of the other legal heirs of the grandfather of the complainant. It is alleged that the grandfather of the complainant was also operating a savings account no. 00910100003281 in the Bank of Baroda, branch Sadar Bazar, Delhi – 110006, Subhash Chand Manchanda and Vikram Manchanda added their names with the above said personal account of the grandfather of the complainant as co-holder without consent and NOC of the other legal heirs of the deceased grandfather of the applicant. It is further alleged that Vijay Kumar Manchanda, Smt. Nirmal Anand and Sh. Vikram Manchanda in conspiracy amongst each other, withdrew the maximum amount from the above said personal account of the grandfather of the complainant in a different mode, thereby allegedly committing an offence of cheating against other legal heirs of Sh. Gian Chand Manchanda as well as against the

complainant.

Thereafter, the complainant got lodged the complaint following which the FIR in question was registered against the petitioners. During the pendency of the proceedings, the matter was settled between the petitioners and the respondent no. 2.

4. Respondent No.2 present in the Court submitted that the dispute between the parties has been amicably resolved. As per the settlement, it is agreed that the respondent no.2 shall fully cooperate in the quashing of the FIR in question along with the petitioners at the expense of the petitioners on or before 31.07.2016. It is agreed the petitioners shall pay a sum of Rs. 13.5 Lakhs (subject to the conditions laid out in the agreement) by way of DD, for full and final satisfaction of all the claims arising out of the FIR in question. It is also agreed that after the receipt of the above mentioned amount, and quashing of FIR no.182/16, the respondent no.2 shall also withdraw complaint nos.76/1/15 & 75/1/15 and that he shall not pursue any litigation civil or criminal towards the petitioners in the future. It is further agreed that respondent no.2 shall not raise any objections to the grant of anticipatory bail to the accused persons as named in FIR no.182/2016.

Respondent No.2 affirmed the contents of the aforesaid settlement and of his affidavit dated 13.07.2016 supporting this petition. In the affidavit, he has stated that he has no objection if the FIR in question is quashed. All the disputes and differences have been resolved through mutual consent. Now no dispute with petitioners survives and so, the proceedings arising out of the FIR in question be brought to an end. Statement of the respondent no. 2 has been

recorded in this regard in which he stated that he has entered into a compromise with the petitioners and has settled all the disputes with them. He further stated that he has no objection if the FIR in question is quashed.

5. In *Gian Singh v. State of Punjab (2012) 10 SCC 303* Apex Court has recognized the need of amicable resolution of disputes in cases like the instant one, by observing as under:-

“61. In other words, the High Court must consider whether it would be unfair or contrary to the interest of justice to continue with the criminal proceedings or continuation of criminal proceedings would tantamount to abuse of process of law despite settlement and compromise between the victim and the wrongdoer and whether to secure the ends of justice, it is appropriate that criminal case is put to an end and if the answer to the above question(s) is in the affirmative, the High Court shall be well within its jurisdiction to quash the criminal proceedings.”

6. The aforesaid dictum stands reiterated by the Apex Court in a recent judgment in *Narinder Singh v. State of Punjab (2014) 6 SCC 466*. The relevant observations of the Apex Court in *Narinder Singh (Supra)* 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.

7. The inherent powers of the High Court ought to be exercised to prevent the abuse of process of law and to secure the ends of justice. The respondent no. 2 agreed to the quashing of the FIR in question and stated that the matter has been settled out of his own free will. As the matter has been settled and compromised amicably, so, there

would be an extraordinary delay in the process of law if the legal proceedings between the parties are carried on. So, this Court is of the considered opinion that this is a fit case to invoke the jurisdiction under Section 482 Cr.P.C. to prevent the abuse of process of law and to secure the ends of justice.

8. The incorporation of inherent power under Section 482 Cr.P.C. is meant to deal with the situation in the absence of express provision of law to secure the ends of justice such as, where the process is abused or misused; where the ends of justice cannot be secured; where the process of law is used for unjust or unlawful object; to avoid the causing of harassment to any person by using the provision of Cr.P.C. or to avoid the delay of the legal process in the delivery of justice. Whereas, the inherent power is not to be exercised to circumvent the express provisions of law.

9. It is settled law that the inherent power of the High Court under Section 482 Cr.P.C. should be used sparingly. The Hon'ble Apex Court in the case of *State of Maharashtra through CBI v. Vikram Anatrai Doshi and Ors.* MANU/SC/0842/2014 and in the case of *Inder Singh Goswami v. State of Uttaranchal* MANU/SC/0808/2009 has observed that powers under Section 482 Cr.P.C. must be exercised sparingly, carefully and with great caution. Only when the Court comes to the conclusion that there would be manifest injustice or there would be abuse of the process of the Court if such power is not exercised, Court would quash the proceedings.

10. It is a well settled law that where the High Court is convinced that the offences are entirely personal in nature and therefore do not

affect public peace or tranquility and where it feels that quashing of such proceedings on account of compromise would bring about peace and would secure ends of justice, it should not hesitate to quash them. In such cases, pursuing prosecution would be waste of time and energy. Non-compoundable offences are basically an obstruction in entering into compromise. In certain cases, the main offence is compoundable but the connected offences are not. In the case of ***B.S. Joshi and others v. State of Haryana and another*** 2003 (4) SCC 675 the Hon'ble Apex Court observed that even though the provisions of Section 320 Cr.P.C. would not apply to such offences which are not compoundable, it did not limit or affect the powers under Section 482 Cr.P.C. The Hon'ble Apex Court laid down that if for the purpose of securing the ends of justice, quashing of FIR becomes necessary, section 320 Cr.P.C. would not be a bar to the exercise of power of quashing. In the nutshell, the Hon'ble Apex Court justified the exercise of powers under Section 482 Cr.P.C. to quash the proceedings to secure the ends of justice in view of the special facts and circumstances of the case, even where the offences were non-compoundable.

In the light of the aforesaid, this Court is of the view that notwithstanding the fact according to Section 320(2) Cr.P.C., the offences under Section 420 IPC is an offence compoundable only with the permission of the Court, therefore, there should be no impediment in quashing the FIR under this section, if the Court is otherwise satisfied that the facts and circumstances of the case so warrant.

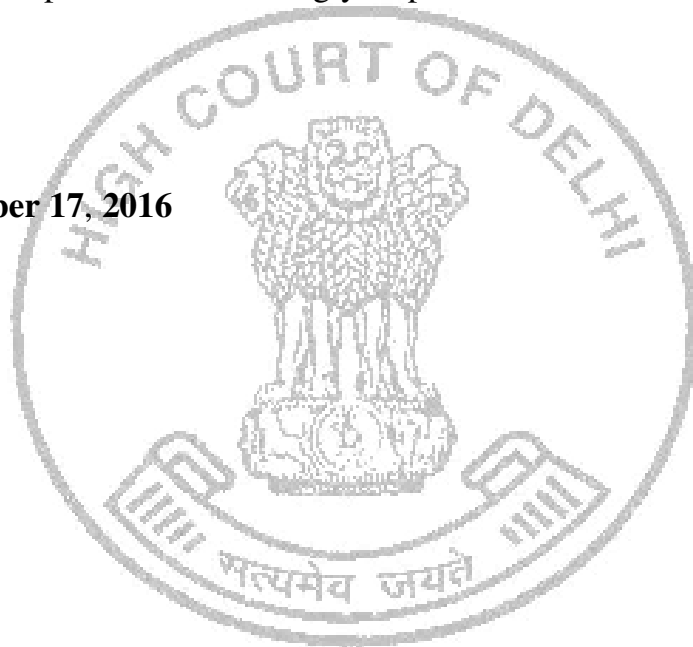
11. In the facts and circumstances of this case and in view of

statement made by the respondent no. 2, the FIR in question warrants to be put to an end and proceedings emanating thereupon need to be quashed.

12. Accordingly, this petition is allowed and FIR No.182/2016 dated 20.04.2016, under Sections 406/420/120-B IPC registered at Police Station Sadar Bazar and the proceedings emanating therefrom are quashed against the petitioners.

13. This petition is accordingly disposed of.

**November 17, 2016**  
**dd**



**(P.S.TEJI)**  
**JUDGE**