

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CRIMINAL APPELLATE JURISDICTION**

CRIMINAL WRIT PETITION NO.1410 OF 2019

Jagdish Liladhar Mehta & Anr.

..Petitioners

V/s.

The State of Maharashtra & Anr.

..Respondents

Mr.Kuldeep Nikam a/w Mr.Krishna Patil i/b Kshitija Wadekar and
Co. for the Petitioners.

Mr.K.V. Saste, APP for the Respondent-State.

Mr.Ravi Agarwal for Respondent No.2.

**CORAM : RANJIT MORE &
SMT.BHARATI H. DANGRE, JJ.**

DATE : 11th JUNE 2019

P.C.

1. Heard the learned counsel for the petitioners and
respondent No.2 and learned APP for the respondent No.1-State.

2. The petition is filed for quashing and setting aside the
FIR bearing CR No.66 of 2018 registered with Marine Drive Police
Station at the instance of the respondent No.2 for an offence
punishable under Section 409 read with 120B of the Indian Penal
Code.

3. The FIR filed by the respondent No.2, alleged that on 10th August 1965 the respondent No.2 purchased a land situated at Village-Maneja, District-Baroda, State-Gujarat admeasuring 30 acres for consideration of Rs.1,27,260/- and it was registered with the Sub-Registrar-Baroda. Subsequently the property purchased fell within the restrictions introduced by the Urban Land Ceiling and Regulation Act, 1976 and the notice came to be issued by the Competent Authority. The rights in respect of the dealings of the property were assigned to the CEO of respondent No.2 Mr.K.P. Chokani, who entered into an agreement with the petitioner No.1 for securing necessary permissions and exemptions under the Act. A Power of Attorney was also executed in favour of the petitioner No.1, who was not able to lift the reservations under the Act within the stipulated period of one year, by virtue of which the POA and the Indemnity Agreement executed between the parties ceased to operate and therefore petitioner No.1 ceased to have any right in respect of the property. The FIR proceeds to allege that deriving the powers from the Power of Attorney the petitioner No.1 executed a Sale Deed dated 11.09.2004 for consideration of Rs.24,50,000/-. The FIR therefore alleged that the land was sold by the petitioner to Mr.Vishal Jagdish Mehta and the company was in-debt by Rs.50

Crores, though the Power of Attorney had ceased to exist.

4. This FIR subsequently was transferred for investigation to Economic Offences Wing (EOW) and then thereafter numbered as EOW C.R. No.29 of 2018.

5. The respondent No.2 also filed Special Civil Suit 191 of 2018 in the Court of Civil Judge (SD) at Vadodara for cancellation of the Sale Deed. The dispute between the parties was amicably settled and thereafter consent terms dated 19.07.2018 came to be filed before the Civil Judge (SD) at Vadodara. The copy of the consent terms are placed on record at Page-72 of the petition. Under the consent terms the sale deed executed between the parties is declared as null and void. It is agreed between the parties that the Power of Attorney ipso facto came to an end on 02.09.1994 and the petitioner No.1 had no authority to act or purport on behalf of the respondent No.2. It is also agreed that the petitioners have vacated possession of the suit land and have reinstated the respondent into possession of the suit land and that he will not make any claim for possession. It was also further agreed between the parties that an amount of Rs.32,58,400/- paid by the petitioners to the respondent

No.2 would stand forfeited in favour of the respondent No.2-company. The respondent No.2 is also entitled to have revenue and other property records mutated to its name and the other side would undertake to execute the necessary deeds in relation to the same.

Based on the said consent terms, the Additional Senior Civil Judge, Vadodara, decreed the suit in terms of the compromise on 19.07.2018.

6. The parties have now approached this Court for quashing the subject FIR by consent. The respondent No.2 by resolution dated 25.04.2019 passed in the 60th meeting of Board of Directors has authorised Mr.Ashok Mundada to give consent for quashing the proceedings of the subject FIR. The copy of the resolution is placed on record. Mr.Ashok Mundada, accordingly, filed consent affidavit dated 24.04.2019. In the said affidavit respondent No.2 has stated that the parties have amicably settled the suit and compromise decree was passed and there is no grievance left against the petitioners and therefore he gave an unequivocal consent to quash the subject FIR and withdraw all allegations made in the complaint.

Shri.Ashok Mundada, who is personally present before

the Court, states that he has understood contents of his affidavit and stands by the same and he has no objection to quash the FIR.

7. It can, thus, be seen that the matter has been amicably settled between the parties. From the perusal of complaint, it transpires that the allegations are totally personal in nature. In these circumstances, and especially, in view of the law laid down by the Apex Court in the case of **Narinder Singh vs. State of Punjab**¹ where it is observed thus :-

“14. As to under what circumstances the criminal proceedings in a non-compoundable case be quashed when there is a settlement between the parties, the Court provided the following guidelines :

“Where the High Court quashes a criminal proceedings having regard to the facts that the dispute between the offender and the victim has been settled although the offences are not compoundable, it does so as in its opinion, continuation of criminal proceedings will be an exercise in futility and justice in the case demands that the dispute between the parties is put to an end and peace is restored; securing the ends of justice being the ultimate guiding factor. 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

1 [2014 AIRSCW 2065]

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 the light of the aforesaid observations, we have noted that the two rival parties have amicably settled dispute between them and no gainful purpose would be achieved in continuing the prosecution.

We find that no purpose would be served by keeping the criminal proceedings pending except burdening the Criminal Courts which are already overburdened.

8. Accordingly, the subject FIR bearing CR No.66 of 2018 registered with Marine Drive Police Station is quashed and applications are allowed in terms of prayer clause (a) subject to following:

(i) The petitioners shall pay an amount of Rs.50,000/- by way of costs to Tata Memorial Hospital, Mumbai within the period of four weeks from today and place the receipt of the same on record.

(SMT.BHARATI H. DANGRE, J.)

(RANJIT MORE, J.)