

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

Date of Order: January 16, 2019

+ **CRL.M.C. 4583/2018 & CRL.M.A. 31741/2018**

RAJESH GUTPA & ORS.Petitioners

Through: Mr. Sunil Dalal and Mr. Manish
Sahni, Advocates

Versus

STATE & ANR.Respondents

Through: Ms. Neelam Sharma, Additional
Public Prosecutor for respondent-
State with Inspector Anil Kumar
Mr. Sanjeev Singh and Ms.
Anandita Singh, Advocates for
respondent No. 2

CORAM:
HON'BLE MR. JUSTICE SUNIL GAUR

ORDER
(ORAL)

Quashing of FIR No.26/2013, under Sections 420 and 120-B of IPC, registered at police station Economic Offences Wing, New Delhi is sought on the basis of Settlement Agreement of 15th March, 2016 reached between the parties.

Notice.

Ms. Neelam Sharma, learned Additional Public Prosecutor for respondent No.1-State and Mr. Sanjeev Singh, Advocate for respondent No.2, accept notice.

Learned counsel for respondent No.2-complainant submits that in view of the communication of 31st May, 2016 (*Annexure P-5*) there is no objection to quashing of the FIR in question.

Supreme Court in *Parbatbhai Aahir @ Parbatbhai Bhimsinhbhai Vs. State of Gujarat* (2017) 9 SCC 641 has reiterated the parameters for exercising inherent jurisdiction under Section 482 Cr.P.C. for quashing of FIR / criminal complaint, which are as under:-

“16. The broad principles which emerge from the precedents on the subject, may be summarised in the following propositions:

16.1. Section 482 preserves the inherent powers of the High Court to prevent an abuse of the process of any court or to secure the ends of justice. The provision does not confer new powers. It only recognises and preserves powers which inhere in the High Court.

16.2. The invocation of the jurisdiction of the High Court to quash a first information report or a criminal proceeding on the ground that a settlement has been arrived at between the offender and the victim is not the same as the invocation of jurisdiction for the purpose of compounding an offence. While compounding an offence, the power of the court is governed by the provisions of Section 320 of the Code of Criminal Procedure, 1973. The power to quash under Section 482 is attracted even if the offence is non-compoundable.

16.3. In forming an opinion whether a criminal proceeding or complaint should be quashed in exercise of its jurisdiction under Section 482, the High Court must evaluate whether the ends of justice would justify the exercise of the inherent power.

16.4. While the inherent power of the High Court has a wide ambit and plenitude it has to be exercised (i) to secure the ends of justice, or (ii) to prevent an abuse of the process of any court.

16.5. The decision as to whether a complaint or first information report should be quashed on the ground that the offender and victim have settled the dispute, revolves ultimately on the facts and circumstances of each case and no exhaustive elaboration of principles can be formulated.

16.6. In the exercise of the power under Section 482 and while dealing with a plea that the dispute has been settled, the High Court must have due regard to the nature and gravity of the offence. Heinous and serious offences involving mental depravity or offences such as murder, rape and dacoity cannot appropriately be quashed though the victim or the family of the victim have settled the dispute. Such offences are, truly speaking, not private in nature but have a serious impact upon society. The decision to continue with the trial in such cases is founded on the overriding element of public interest in punishing persons for serious offences.

16.7. As distinguished from serious offences, there may be criminal cases which have an overwhelming or predominant element of a civil dispute. They stand on a distinct footing insofar as the exercise of the inherent power to quash is concerned.

16.8. Criminal cases involving offences which arise from commercial, financial, mercantile, partnership or similar transactions with an essentially civil flavour may in appropriate situations fall for quashing where parties have settled the dispute.

16.9. In such a case, the High Court may quash the criminal proceeding if in view of the compromise between the disputants, the possibility of a conviction is remote and the continuation of a criminal proceeding would cause oppression and prejudice; and

16.10. There is yet an exception to the principle set out in propositions 16.8. and 16.9. above. Economic offences involving the financial and economic well-being of the State have implications which lie beyond the domain of a mere dispute between private disputants. The High Court would be justified in declining to quash where the offender is involved in an activity akin to a financial or economic fraud or misdemeanour. The consequences of the act complained of upon the financial or economic system will weigh in the balance.”

Upon hearing and on perusal of the agreement of 15th March, 2016 and the communication of 31st May, 2016 (Annexure P-5), I find that the subject matter of this FIR is essentially a commercial dispute, which

stands amicably resolved between the parties and so, no useful purpose would be served in continuing of proceedings arising out of the FIR in question.

Accordingly, this petition is allowed subject to cost of ₹50,000/- to be deposited by petitioners with *Prime Minister's National Relief Fund* within a week from today and upon placing on record the receipt of deposit of cost with two weeks thereafter, FIR No. 26/2013, under Sections 420 and 120-B of IPC, registered at police station Economic Offences Wing, New Delhi and the proceedings emanating therefrom shall stand quashed *qua* petitioners.

This petition and application are accordingly disposed of.

Dasti.

JANUARY 16, 2019

v

**(SUNIL GAUR)
JUDGE**

भारतमेव जयते