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

+ **CRL.M.C. 1877/2024**

SATISH MEHTA & ANR.

..... Petitioners

Through: Mr. Mahavir Sharma and Mr. Kanwarpreet Singh, Advocates along with Petitioner No. 2 in person.

versus

STATE OF NCT OF DELHI & ORS.

..... Respondents

Through: Ms. Shubhi Gupta, APP for State with SI Deepak Lathwal, PS: Narela Industrial Area and ASI Vikas, NAV, DAP, Vikas Puri.

Mr. Arvind Vats, Mr. Kapil Malhotra and Mr. Ravi Vats, Advocates for R-2 to 4 along with R-2 to 4 in person.

CORAM:

HON'BLE MS. JUSTICE JYOTI SINGH

ORDER

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07.03.2024

CRL.M.A. 7135/2024 (exemption)

1. Allowed, subject to all just exceptions.
2. Application stands disposed of.

CRL.M.C. 1877/2024

3. This petition has been filed on behalf of the Petitioners under Section 482 Cr.P.C. for quashing of FIR No. 609/2023 dated 04.07.2023 registered under Sections 420/467/468/471/120B IPC at PS: Narela Industrial Area including proceedings emanating therefrom.
4. It is the case of the Petitioners that an industrial property bearing No. 38, Pocket-H, Sector-5, DSIIDC, Bawana Industrial Area, Delhi-39 was owned by Sh. Nand Kishor Mehta, father of Respondents No.2 to 4 and their



sibling Sh. Satish Kumar Mehta i.e. Petitioner No.1. After the demise of Sh. Nand Kishor Mehta and his wife Smt. Meena Kumari, this property devolved on all family members in the share of 1/4th each. Respondents No.2 to 4 entered into a sale transaction *qua* the said property and executed a registered Relinquishment Deed in favour of Petitioner No.1, who further executed transfer documents in favour of Sudarshan/Petitioner No.2. Relinquishment Deed is in the custody of the Sub-Registrar and was not released on account of objections filed by Respondents No.2 to 4.

5. It is stated in the petition that due to confusion in payment schedule, disputes arose between Petitioners and Respondents No.2 to 4 and on a complaint being filed by Respondent No. 2, present FIR was registered on 04.07.2023. A civil suit titled '*Ravinder Singh Mehta v. Satish Mehta & Ors.*', was filed between the parties. On 15.01.2024, Petitioner No.1 was taken into custody and on a bail application being filed before the Sessions Court, Rohini, parties were referred for mediation, adjourning the hearing of the bail application to 27.02.2024. Matter was settled before the Mediator but was sent back to the Court as the offences were non-compoundable. However, bail application was dismissed by the Court under the impression that the disputes were not settled between the parties.

6. As Petitioner No.1 and Respondents No.2 to 4 are closely related to each other being real brothers and sister, with the intervention of common friends and elders in the family, all disputes have been finally resolved and settled between the parties and a Memorandum of Understanding has been executed on 21.02.2024 on the following terms and conditions:-

'1. That the Petitioner No. 2 will pay a total sum of Rs.90 lacs to the Respondent No. 2 to 4 in three instalments of Rs. 30 Lacs each and the first instalment of Rs.30 Lacs has been paid in the following manner:



a. Rs.15 Lacs in cash

b. Rs.15 Lacs vide cheque no. 054241, 054242 and 054243 (each cheque of Rs.5 Lacs in favour of the 3 parts of the respondent no. 2 to 4 all dated 21.02.2024 and drawn on Central Bank of India, DSIDCCSC Market, Sector-I, Delhi-110039

II. That respondent no.2 will withdraw the civil suit as mentioned above within 15 days from execution of this MOU. The Petitioner No. 2 will pay the second instalment of Rs.30 Lacs to the respondent no.2 to 4 at the time of withdrawal of the civil suit. The respondent no. 2 to 4 has taken a loan against the said property from Delhi Finance Corporation, Janakpuri and the original title deeds are lying with the bank and the respondent no. 2 to 4 shall clear the entire the loan amount and shall handover the original title deeds to the petitioner no. 2 between the time period of 1st and 2nd instalments. Some original title documents are with the police, both the parties shall endeavour for release of those documents in favour of the petitioner no. 2 preferably after the payment of the 1st instalment.

III. That the petitioner no.2 will apply for the quashing of the FIR before the Hon'ble High Court of Delhi and the respondent no. 2 to 4 shall co-operate in quashing of the FIR and the petitioner no. 2 shall pay the 3rd and the last instalment of Rs.30 Lacs at the time of quashing of the FIR before the Hon'ble High Court of Delhi. However, if due to any reason the said FIR is not quashed by the Hon'ble High Court then the respondent no. 2 to 4 shall cooperate with the petitioner no. 2 in finishing the said case and the proceedings emanating from the said FIR and the petitioner no. 2 shall pay the 3rd instalment at the time of finishing of the case. The petition for quashing the FIR shall be filed within 15 days from the withdrawal of the civil suit. The respondent no. 2 to 4 will suffer the affidavits in support of the quashing petition.

IV. That the respondent no. 2 to 4 shall give an NOC in the name of the Sub-registrar, Alipur for releasing of the Relinquishment Deed which had been executed by the respondent no.2 to 4 in favour of their brother petitioner no.1 . This NOC would be given by the respondent no. 2 to 4 at the time of execution of this MOU.

V. That the respondent no. 2 to 4 shall co-operate in getting the Change of Constitution, (COC) letter from DSIIDC in favour of petitioner no. 1 the brother of the respondent no. 2 to 4. The respondent no. 2 to 4 shall appear before the concerned authority for this purpose as and when required. This process would be performed by the respondent no. 2 to 4 simultaneously at the time of quashing of the said FIR.

VI. That after getting the aforesaid amount of Rs.90 Lacs the respondent no. 2 to 4 or their legal heirs shall have no claim, right or interest in the aforesaid industrial property bearing no. 38, Pocket-H, Sector-5, DSIIDC,



Bawana Industrial Area, Delhi-39 and the petitioner no.2 would be the absolute owner of the said property. It is worth mentioning that the petitioner no. 2 is already in possession of this property. The petitioner no. 2 has already purchased the 1/4th share of petitioner no. 1.'

7. It is further stated that in furtherance of the terms of settlement, Petitioner No. 2 has already paid Rs.30,00,000/- to Respondents No. 2 to 4 at the time of execution of the MoU and Respondents No. 2 to 4 have stated in writing to the Police that no coercive action be taken against the Petitioners. Respondents No. 2 to 4 have repaid the loan amount taken against the property in question and title documents have been released by the Bank *albeit* some title documents are still lying deposited with the IO. It has been agreed between the parties that after the balance amount of Rs.60,00,000/- is paid to Respondents No. 2 to 4, they will write to DSIIDC for withdrawal of their objections on Change of Constitution and will co-operate in quashing of the present FIR. Respondents No. 2 to 4 will withdraw the civil suit and all parties will comply with the terms of the settlement.

8. Issue notice.

9. Learned APP accepts notice on behalf of the State.

10. Mr. Arvind Vats, learned counsel accepts notice on behalf of Respondents No.2 to 4.

11. Petitioner No. 2 and Respondents No. 2 to 4 are present in the Court and have been duly identified by the Investigating Officer, SI Deepak Lathwal, PS: Narela Industrial Area. Respondents No. 2 to 4 state that they have entered into the settlement out of their free will and as per the settlement terms, incorporated in the MoU, they have received the balance amount of Rs.60,00,000/- today in Court i.e. Rs.54,00,000/- by way of



demand drafts and Rs.6,00,000/- in cash. Copies of the demand drafts have been handed over in Court and are taken on record. It is thus stated that they have no objection, if the FIR is quashed.

12. Learned APP states that in view of the settlement between the parties, terms of which have been complied with, State has no objection to the FIR being quashed and assures the Court that the title documents lying with the IO/in police custody shall be returned to Petitioner No. 2 within one week from today under written acknowledgement. Prayer is made to impose costs on the Petitioners since State machinery has been used by the parties to settle scores with each other.

13. The Supreme Court in ***Gian Singh v. State of Punjab and Another, (2012) 10 SCC 303***, observed that while exercising inherent powers under Section 482 Cr.P.C. in respect of quashing of an FIR where parties have entered into amicable resolution of the disputes, one of the considerations would be whether it would be unfair or contrary to the interest of justice to continue the criminal proceedings despite the compromise and if the answer to the question is in the affirmative, the High Court would be well within its jurisdiction to quash the criminal proceedings, in order to ensure that the disputes are put to an end and peace is restored as securing the ends of justice is the ultimate guiding factor. This was of-course with a caveat that heinous and serious offences of mental depravity or offences like murder, dacoity etc. cannot be fittingly quashed even though the victim or the victim's family settles the disputes with the offender. Relevant paragraphs of the judgment are as follows:-

“55. In the very nature of its constitution, it is the judicial obligation of the High Court to undo a wrong in course of administration of justice or to prevent continuation of unnecessary judicial process. This is founded on



the legal maxim quando lex aliquid alicui concedit, conceditur et id sine qua res ipsa esse non potest. The full import of which is whenever anything is authorised, and especially if, as a matter of duty, required to be done by law, it is found impossible to do that thing unless something else not authorised in express terms be also done, may also be done, then that something else will be supplied by necessary intendment. Ex debito justitiae is inbuilt in such exercise; the whole idea is to do real, complete and substantial justice for which it exists. The power possessed by the High Court under Section 482 of the Code is of wide amplitude but requires exercise with great caution and circumspection.

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58. *Where the High Court quashes a criminal proceeding having regard to the fact 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 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.*

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61. *The position that emerges from the above discussion can be*



summarised thus : the power of the High Court in quashing a criminal proceeding or FIR or complaint in exercise of its inherent jurisdiction is distinct and different from the power given to a criminal court for compounding the offences under Section 320 of the Code. Inherent power is of wide plenitude with no statutory limitation but it has to be exercised in accord with the guideline engrafted in such power viz. : (i) to secure the ends of justice, or (ii) to prevent abuse of the process of any court. In what cases power to quash the criminal proceeding or complaint or FIR may be exercised where the offender and the victim have settled their dispute would depend on the facts and circumstances of each case and no category can be prescribed. However, before exercise of such power, the High Court must have due regard to the nature and gravity of the crime. Heinous and serious offences of mental depravity or offences like murder, rape, dacoity, etc. cannot be fittingly quashed even though the victim or victim's family and the offender have settled the dispute. Such offences are not private in nature and have a serious impact on society. Similarly, any compromise between the victim and the offender in relation to the offences under special statutes like the Prevention of Corruption Act or the offences committed by public servants while working in that capacity, etc.; cannot provide for any basis for quashing criminal proceedings involving such offences. But the criminal cases having overwhelmingly and predominatingly civil flavour stand on a different footing for the purposes of quashing, particularly the offences arising from commercial, financial, mercantile, civil, partnership or such like transactions or the offences arising out of matrimony relating to dowry, etc. or the family disputes where the wrong is basically private or personal in nature and the parties have resolved their entire dispute. In this category of cases, the High Court may quash the criminal proceedings if in its view, because of the compromise between the offender and the victim, the possibility of conviction is remote and bleak and continuation of the criminal case would put the accused to great oppression and prejudice and extreme injustice would be caused to him by not quashing the criminal case despite full and complete settlement and compromise with the victim. 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 proceeding or continuation of the criminal proceeding 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 the 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 proceeding."

14. In a later judgment in the case of ***Narinder Singh and Others v. State of Punjab and Another***, (2014) 6 SCC 466, the Supreme Court reiterated



the proposition and relevant paragraphs are as follows:-

“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.”

15. It is a settled law that inherent powers under Section 482 Cr.P.C. are required to be exercised to secure the ends of justice and/or prevent abuse of the process of the Court. The Supreme Court in the case of ***Nikhil Merchant v. Central Bureau of Investigation and Another, (2008) 9 SCC 677***, has observed that despite the ingredients and the factual content of an offence of cheating punishable under Section 420 IPC, the same has been made compoundable under sub-section (2) of Section 320 Cr.P.C., with the leave of the Court. Co-ordinate Benches of this Court in ***Harvinder Singh Tokas***



and Another v. State and Another, 2019 SCC OnLine Del 8523 and *Karan Sharma v. State of NCT of Delhi and Another, 2023 SCC OnLine Del 875*, have quashed FIRs under similar provisions predicated on amicable settlement between the parties.

16. From the conspectus of the aforesaid judgments, one of the principles that can be succinctly culled out for exercise of inherent powers under Section 482 Cr.P.C. is that the inherent jurisdiction is to prevent abuse of process of Court or to secure ends of justice as ends of justice are higher than ends of mere law and inherent power has been vested in the High Court to do real, complete and substantial justice. This is of course not without a caveat that the Courts must steer clear of intervention in cases which involve heinous or serious offences involving mental depravity or economic offences and those which fall in the category of offences relating to murder, extortion, dacoity, cases under the Arms Act, 1959 etc.

17. Parties have mutually settled all their disputes. Respondents No. 2 to 4 have made a categorical statement that they have received the entire settlement amount and possession of the property in question has been handed over and they do not wish to pursue the complaint. In these facts and circumstances, the chances of conviction are bleak and it would be in the interest of justice to terminate the criminal proceedings. Accordingly, FIR No. 609/2023 dated 04.07.2023 registered under Sections 420/467/468/471/120B IPC at PS: Narela Industrial Area including the proceedings emanating therefrom are hereby quashed, subject to payment of costs of Rs.10,000/- each, by the Petitioners in favour of Rohini Bar Association (Regd.), Lawyers Chamber Block, Ground Floor, Rohini Court Complex, Rohini, Delhi which, learned counsel for the Petitioners undertakes, shall be paid



during the course of the day.

18. At this stage, learned counsel for the Petitioners states that Petitioner No. 1 is in judicial custody, as a consequence of the registration of the present FIR and subject to the costs being deposited, directions be issued for his release from the jail.

19. As FIR No. 609/2023 stands quashed by the present order, subject to payment of costs, Petitioner No. 1 namely, Satish Mehta S/o Late Nand Kishore Mehta shall be released from judicial custody, if not in judicial custody in connection with any other case. Proof of payment will be deposited with the concerned Jail Superintendent, who on verification of the deposit shall release Petitioner No. 1.

20. Copy of the order be sent to the concerned Jail Superintendent for information and necessary action.

21. Petition stands disposed of in the aforesaid terms.

JYOTI SINGH, J

MARCH 07, 2024/kks/shivam