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

+ **W.P.(CRL) 1159/2024**

M/S PARAS SEASONS HAVEN PVT LTD & ORS. Petitioners
Through: Mr. Abdhesh Chaudhary, Ms. Geetanjali Setia, Ms. Manisha Suri, Mr. Nishi Kant Singh and Ms. Meena Yadav, Advocates with AR of Petitioner Mr. Pradeep Garg in person.

versus

STATE OF NCT OF DELHI & ORS. Respondents
Through: Mr. Sanjay Lao, Standing Counsel with Mr. Shivesh Kaushik and Mr. Abhinav Arya, Advocates for GNCTD with SI Mahesh Singh, PS: Shakarpur, Delhi.
Mr. Ayush Tyagi, Advocate for R-2 and 3 with Respondents No. 2 and 3 in person.

CORAM:
HON'BLE MS. JUSTICE JYOTI SINGH

ORDER
17.05.2024

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CRL.M.A. 11199/2024 (Exemption)

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

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3. This is a petition filed on behalf of the Petitioners under Article 226 of the Constitution of India read with Section 482 Cr.P.C. seeking quashing of FIR No. 588/2021 dated 08.12.2021 under Sections 420/406/120B IPC registered at PS: Shakarpur, Delhi along with proceedings emanating therefrom.

4. The undisputed facts of the case are that Petitioner No. 1 is a company engaged in the business of real estate development and Petitioner No. 2 is its



Ex-Director and Petitioner No. 3 is associated with Paras Group. Petitioner No. 1 is the developer of the project '*Paras Seasons*' at Sector-168F, Noida, UP-201304. Petitioner No. 4 is a company which provides real estate services and Petitioners No. 5 and 6 are the Directors of Petitioner No. 4 Company while Petitioners No. 7 and 8 work in the sales team of Petitioner No. 4 company.

5. It is stated in the petition that Respondents No. 2 and 3 are husband and wife and also the complainants/first informants in the present FIR and are allottees of a single unit in the project namely '*Paras Seasons*' under a Retention Scheme and are hereinafter referred to as complainants. Complainants initially applied for allotment of the Unit in a project being developed by M/s. Supertech Limited and had made some payments. However later, complainants desired to shift their allotment to Paras Seasons, a project of Petitioner No. 1 and as such in the year 2020, they applied with Petitioner No. 1 for transfer of the allotment from M/s. Supertech to Paras Seasons project under the Retention Scheme.

6. It is stated that as per the procedure under the Retention Scheme, complainants were to be allotted a fresh unit in the Paras Seasons project and the money already paid was to be adjusted towards the sale consideration and the balance was payable to Petitioner No.1. After approval of the application of the complainants, they were allotted Unit No.T-02/1406 and they deposited a total sum of Rs.30,26,135/-, from time to time. According to the Petitioners, due to some transition issues and adjustments against the old allotted Unit, documentation could not be completed in a timely manner and complainants lodged a complaint against Petitioners, which culminated into registration of the present FIR.



7. It is averred that during the pendency of the criminal proceedings, the misunderstandings cleared and through mutual intervention, parties arrived at an amicable settlement of all their disputes and in furtherance thereof executed a Settlement Agreement dated 09.12.2022, copy of which has been placed on record. As per the terms of settlement, Petitioners No. 1 to 3 agreed to refund the amount of Rs.30,26,135/- along with interest @ 8% per annum i.e. Rs.4,74,175/- along with litigation expenses of Rs.40,000/-. The interest amount was subject to the statutory deduction of the TDS @ 10% per annum. It is stated that the agreed amounts were paid to the complainants through Demand Draft bearing No.116146 dated 07.12.2022 drawn on HDFC Bank at the time of execution of the agreement.

8. Issue notice.

9. Learned Standing Counsel accepts notice on behalf of the State.

10. Mr. Ayush Tyagi, learned counsel accepts notice on behalf of Respondents No. 2 and 3.

11. Authorised Representative of the Petitioner No.1 Company as well as Respondents No. 2 and 3 are present in Court and are identified by the Investigating Officer SI Mahesh Singh, PS: Shakarpur. It is submitted by the complainants that the entire settlement amount has been received by them and as agreed, they do not object to the quashing of the FIR. Learned Standing Counsel takes a stand that since parties have settled their disputes and settlement amount has been paid to Respondents No.2 and 3, who do not want to prosecute the complaint, no purpose will be achieved in continuing the criminal proceedings.

12. 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.”

13. 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.”

14. Parties have mutually settled all their disputes. Settlement amount has been paid to the complainants, who make a categorical statement that 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. This Court is fortified in its view by the decisions of the Co-ordinate Benches of this Court in ***Smt. Lalita Devi & Anr. v. State of NCT of Delhi & Anr., CRL.M.C. 2864/2023***, decided on 24.04.2023 and ***Paramjeet Singh Sehra v. State of NCT of Delhi & Anr., W.P.(CRL.) 2318/2019***, decided on 18.05.2023, wherein FIRs under similar provisions have been quashed by the Courts, based on mutual settlements between the parties.

15. Accordingly, FIR No. 588/2021 dated 08.12.2021 under Sections 420/406/120B IPC registered at PS: Shakarpur is quashed along with proceedings emanating from the said FIR.

16. Petition is allowed and disposed of.

JYOTI SINGH, J

MAY 17, 2024/shivam