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

+ CRL.M.C. 5105/2025, CRL.M.A. 22092/2025

MOHIT GANDHI

.....Petitioner

Through: Ms. Prateek Kumar, Advocate with
Petitioner in person.

versus

STATE (NCT OF DELHI) AND ANR

.....Respondents

Through: Mr. Mukesh Kumar, APP for State
with Mr. Anand Pratap Singh, Insp.
and Mr. Shikhar Chaudhary, PS-
EOW, Delhi.

CORAM:

HON'BLE MR. JUSTICE SANJEEV NARULA

ORDER

31.07.2025

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1. The present petition under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023¹ (earlier Section 482 of the Code of Criminal Procedure, 1973²) seeks quashing of FIR No. 05/2018 under Sections 420/406/120-B of the Indian Penal Code, 1860³, registered at P.S. Economic Offences Wing and all proceedings emanating therefrom.

2. Briefly stated, the case of the Prosecution emanates from a complaint filed by Respondent No. 2, alleging that in January 2014, the Petitioner, along with one Mohammed Gufran (now deceased), approached him, and offered to sell property No. B-97 in Joshi Colony, Delhi, for INR

¹ "BNSS"

² "Cr.P.C."

³ "IPC"



2,19,00,000/- claiming to be its owners. Relying on the their representations and the property documents shown to him, Respondent No. 2 paid a total sum of INR 2,24,50,000/- to the accused persons on various occasions. Despite receipt of the said amount, the accused kept avoiding getting the property registered in favour of Respondent No. 2, citing delays in obtaining the necessary documentation. Subsequently, Respondent No. 2 discovered that the property actually belonged to a third party, and that the documents provided by the accused had been forged and fabricated. In October 2014, the aforesaid property was sealed by the Delhi Municipal Corporation. When Respondent No. 2 approached the accused persons demanding a refund, he was threatened by the Petitioner and Mohammad Gufran with dire consequences. Based on these allegations, the impugned FIR was registered under Section 420 IPC and the matter was taken up for investigation. Subsequently, a chargesheet was filed, where the Petitioner and Mohammed Gufran were charge-sheeted under Sections 406/420/120-B of IPC. Thereafter, the Trial Court, while granting interim bail to the Petitioner *vide* order dated 8th November, 2019, directed him to transfer a sum of INR 42,50,000/- to Respondent No. 2 as one of the conditions for granting such a relief.

3. Mr. Mukesh Kumar, APP for the State, states that the co-accused Mohd. Gufran passed away during the pendency of the present FIR. The Petitioner (Mohit Gandhi) and Respondent No. 2 state that they have amicably resolved the dispute and have decided not to pursue the impugned FIR. Pursuant to this settlement, a Memorandum of Understanding⁴ dated 26th September, 2023 was executed between the Petitioner and Respondent



No. 2.

4. A copy of the MoU has been placed on record and perused by the Court. As per its terms, Respondent No. 2 has mutually resolved all disputes and differences with the Petitioner and has agreed to voluntarily give his no objection to the quashing of the impugned FIR. In furtherance of the settlement, Respondent No. 2 has agreed to refund a sum of INR 26,00,000/- to the Petitioner, out of the total amount of INR 42,50,000/- previously received from the Petitioner, in accordance with the Trial Court's order dated 8th November, 2019.

5. In view of the settlement, Respondent No. 2, who has appeared before the Court and is duly identified by the Investigating Officer, has unequivocally stated that he does not wish to pursue the FIR proceedings. He has confirmed that his decision to settle the matter is voluntary and made without any undue influence or coercion. He further confirms payment of the full and final settlement amount to the Petitioner, as per the terms of the MoU executed between them. The Petitioner also appears in person and is duly identified by the Investigating Officer. He acknowledges the receipt of the said amount. In light of the amicable resolution between the parties, the Petitioner seeks quashing of the impugned FIR and all proceedings arising therefrom.

6. The Court has considered the aforementioned submissions. While the offence under Section 120-B of IPC is non-compoundable, Sections 406 and 420 of IPC are compoundable in certain cases. It is well settled that in the exercise of its inherent powers under Section 482 CrPC (now Section 528 BNSS), the Court may, in appropriate cases, quash proceedings in respect of

⁴ "MoU"



non-compoundable offences if the parties have reached a genuine settlement and no overarching public interest is adversely affected. The Supreme Court in *Gian Singh v. State of Punjab & Anr.*⁵ has held as follows:

“11. As discussed above, offence punishable under Section 186/332/353 of the IPC are non-compoundable being of serious nature, however, if the Court feels that continuation of criminal proceedings will be an exercise in futility and justice in this case demands that the dispute between the parties is put to an end and peace is restored, it can order for quashing of the FIR or criminal proceedings as it is the duty of the Court to prevent continuation of unnecessary judicial process.

12. In view of the law discussed above, considering the Settlement arrived at between the parties and the statements of respondent no.1 & 2, I am of the considered opinion that this matter deserves to be given a quietus as continuance of proceedings arising out of the FIR in question would be an an exercise in futility.”

[Emphasis Supplied]

7. Further, in *Narinder Singh & Ors. v. State of Punjab & Anr.*,⁶ the Supreme Court held as follows:

“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.

⁵ (2012) 10 SCC 303

⁶ (2014) 6 SCC 466



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.

29.5. While exercising its powers, the High Court is to examine as to whether the possibility of conviction is remote and bleak and continuation of criminal cases would put the accused to great oppression and prejudice and extreme injustice would be caused to him by not quashing the criminal cases.”

[Emphasis Supplied]

8. Although the offence under Section 120-B of IPC cannot be treated as strictly ‘*in personam*’, and it touches upon public concerns rather than being confined to individual grievances, the Court must also account for the practical realities of securing a conviction in the present case. The Supreme Court has consistently held that in cases where the complainant has entered into a voluntary and *bona fide* settlement, and is no longer inclined to support the prosecution, the prospect of securing a conviction becomes exceedingly remote. In such circumstances, continuing the prosecution may not only prove futile, but would also serve no worthwhile public interest. Respondent No. 2, in the present case, has categorically expressed his unwillingness to pursue the matter further and has confirmed the settlement as voluntary and devoid of any coercion. Given this background, the continuation of criminal proceedings would amount to an empty formality,



adding to the burden of the justice system and consuming public resources unnecessarily.

9. However, since the State machinery was set in motion, the ends of justice will be served if the Petitioner is put to cost.

10. In view of the foregoing, the present petition is allowed and FIR No. 05/2018, P.S. Economic Offences Wing, as well as all consequential proceedings arising therefrom are hereby quashed, subject to payment of a cost of INR 10,000/- by the Petitioner with the Delhi Police Welfare Fund within six weeks from today. Proof of payment be submitted to the concerned IO.

11. The parties shall remain bound by the terms of settlement.

12. Accordingly, the petition is disposed of along with pending application(s).

SANJEEV NARULA, J

JULY 31, 2025

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