

LOCAL ACTS REPORTER

2008

(e-Supplement)

Reports

SUPREME COURT OF INDIA

Before: Tarun Chatterjee & Harjit Singh Bedi, JJ.

Criminal Appeal No. 555/2008

Decided on: 26.03.2008

(arising out of S.L.P.(Crl.) No. 4579/2006)

Madan Mohan Abbot

Petitioner

Versus

State of Punjab

Respondent

For Petitioner(s):

Mr. Vikas Mehta, Adv.

For Respondent(s):

Mr. Kuldip Singh, Adv.

Indian Penal Code, 1860 (45 of 1860), Section 379,406,409,418,506,34 – Code of Criminal Procedure, 1973 (2 of 1974), Section 482 -- Business related disputes – Compromise quashing of FIR – Dispute arose out of extensive business dealings between the parties -- Absolutely no public policy involved in the nature of the allegations made – Held, where the question involved is of a purely personal nature, the Court should ordinarily accept the terms of the compromise even in criminal proceedings – Keeping the matter alive with no possibility of a result in favour of the prosecution is a luxury which the Courts, grossly overburdened as they are, cannot afford and that the time so saved can be utilized in deciding more effective and meaningful litigation – FIR u/s 379,406,409,418,506/34 IPC and all proceedings therewith quashed.

(Para 2-5)

JUDGMENT

HARJIT SINGH BEDI, J. –

1. Leave granted.

2. This appeal is directed against the judgment dated 14th February 2006 whereby an application for quashing of FIR No.155 dated 17th November 2001 registered at Police Station Kotwali, Amritsar under Sections 379,406,409,418,506/34 of the Indian Penal Code on account of the compromise entered into between the complainant and the accused, has been declined on the ground that Section 406 was not compoundable as the amount

involved was more than Rs.250/- and that the case was already fixed on 28th April 2006 for the examination of the prosecution witnesses.

3. Notice was issued in this case on 21st August 2006 and the operation of the order was stayed in the meanwhile. A counter affidavit has been filed by the sole respondent i.e. State of Punjab and it has been pointed out, *inter-alia*, that the investigating officer had no information about the compromise between the parties, that the case was ripe for the recording of the prosecution evidence and that Section 406 was not compoundable as the amount involved was more than Rs.250/-.

4. We have heard the learned counsel for the parties. Concededly a compromise deed has been executed between the parties on 25th January 2002 in which it has been *inter-alia* recorded as under:

"Whereas for the past some time some dispute had arisen in between both the parties regarding which first party has got an FIR No.155/2001 registered under Sections 379/406/409/418/34 of IPC in P.S. Kotwali Amritsar. After the registration of aforesaid criminal case a compromise has been arrived at in between both the parties. As a result of which both the parties have resolved their differences once for all. Now second party does not owe anything to the first party and first party has undertaken to cooperate with second party in every manner to get the aforesaid FIR cancelled/quashed from appropriate Forum. Further more first party has no objection if the Bail of second party be accepted. Rather first party shall cooperate with second party in every manner to secure bail for him. In view of the compromise arrived at in between the parties entire differences and tensions those had arisen in between both the parties stands resolved and both the parties have undertaken not to file any proceedings either civil or criminal or any other such like proceedings against one another in any court of law at Amritsar or any other place within or outside India. This compromise is hereby executed in between both the parties in the presence of marginal witnesses on this 25th day of January 2002 at Amritsar."

5. It is on the basis of this compromise that the application was filed in the High Court for quashing of proceedings which has been dismissed by the impugned order. We notice from a reading of the FIR and the other documents on record that the dispute was purely a personal one between two contesting parties and that it arose out of extensive business dealings between them and that there was absolutely no public policy involved in the nature of the allegations made against the accused. We are, therefore, of the opinion that no useful purpose would be served in continuing with the proceedings in the light of the compromise and also in the light of the fact that the complainant has, on 11th January 2004, passed away and the possibility of a conviction being recorded has thus to be ruled out. We need to emphasize that it is perhaps advisable that in disputes where the question involved is of a purely personal nature, the Court should ordinarily accept the terms of the compromise even in criminal proceedings as keeping the matter alive with no possibility of a result in favour of the prosecution is a luxury which the Courts, grossly overburdened as they are, cannot afford and that the time so saved can be utilized in deciding more effective and meaningful litigation. This is a common sense approach to the matter based on ground of realities and bereft of the



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technicalities of the law. We see from the impugned order that the learned Judge has confused a compounding of an offence with the quashing of proceedings. The outer limit of Rs.250/- which has led to the dismissal of the application is an irrelevant factor in the later case. We accordingly allow the appeal and in the peculiar facts of the case, direct that FIR No.155 dated 17th November 2001 P.S. Kotwali, Amritsar and all proceedings connected therewith shall be deemed to be quashed.

Appeal allowed.



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