



IN THE HIGH COURT OF PUNJAB AND HARYANA  
AT CHANDIGARH

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CRM-M-24837-2024  
Date of decision: 15.09.2025

BALWANT SINGH .....Petitioner

VERSUS

STATE OF PUNJAB AND ANOTHER ....Respondents

**CORAM : HON'BLE MR. JUSTICE VINOD S. BHARDWAJ**

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Present: - Mr. Sylvester Stephen, Advocate  
for the petitioner.  
(*Through Video Conferencing*).

Mr. I.P.S Sabharwal, DAG, Punjab.

Mr. Ishwinder Pal Singh, Advocate for respondent No.2.

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**VINOD S. BHARDWAJ, J. (Oral)**

1. The petitioner has filed the present petition under Section 482 of the Code of Criminal Procedure, 1973, for quashing of FIR No.86 dated 04.09.2023 registered under Section 420 of the Indian Penal Code, 1860 at Police Station Ghanaur, District Patiala and all consequential proceedings arising therefrom on the basis of settlement deed dated 09.10.2023 (Annexure P-3) effected between the parties.

2. Learned counsel appearing on behalf of the petitioner contends that the FIR in question had been lodged by respondent No.2-Balwinder Singh, alleging that the petitioner had defrauded him of Rs.6,75,000/-. Consequently, the petitioner applied for anticipatory bail before the learned Additional Sessions Judge, Patiala, where the complainant appeared and



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suffered a statement to the effect that he had compromised the matter with the petitioner before the Mediation Centre, District Court Patiala and that he had received part payment. In view of the aforementioned compromise, the petitioner was granted anticipatory bail vide order dated 23.10.2023. The relevant extract of the said compromise reads as under:-

*“The complainant Balwinder Singh has lodged the present FIR No.0086 dated 04.09.2023, U/s. 420 IPC, PS Ghanaur, Patiala against the party no.1 accused/applicant. The accused/ applicant after registration of the FIR filed the bail application U/s. 438 Cr.P.C for grant of anticipatory in the Sessions Court Patiala which was entrusted to the court of Ms.Surinder Pal Kaur, ASJ, patiala. The said Court referred the matter to Mediation Centre and during mediation proceedings, individual and joint sessions were held between the parties and parties have arrived at a settlement on the following terms and conditions:-*

- 1: Both the parties have settled their dispute/ issue arising in the FIR for an amount of Rs.7,50,000/- only towards full and final settlement amount to be paid by party no.1 to party no.2 (complainant) in five instalments to the following effect.*
- a Ist instalment of Rs.2 lacs to be paid on 09.10.2023. The party no.1 has paid an amount of Rs.2 lac to party no.2 by cash and the same has been received by party no.2 in Mediation proceedings under this settlement.*
  - b. Second instalment of Rs.3 lac to be paid on or before 10.12.2023.*
  - c. Third instalment of Rs.2,25,000/- to be paid on or*



*before 10.02.2024.*

- d. Fourth instalment of Rs.15,000/- to be paid on or before 10.03.2024.*
- e. Fifth instalment of Rs.10,000/- to be paid on or before 10.04.2024.*

*That the payment will be made by party no.1 to party no.2 either by cash or by any online transfer. In case of cash payment the party no.2 will issue proper receipt.*

*2. That party no.1 shall withdraw civil suit no.CS 1146/2022 titled as Balwant Singh Vs. Balwinder Singh pending in the court of Sh.Arun Gupta, CJJD, Patiala and is fixed for 06.11.2023.*

*3. That party no.1 will fully co-operate with party no.2 in order to get the above said FIR cancelled with due procedure as per law after receiving payment of both second and third instalments.*

*4. That if party no.1 will persue/ file quashing proceedings before the Hon'ble Punjab and Haryana High Court for quashing the FIR no 0086 dated 04.09.2023, U/s. 420 IPC, PS Ghanaur, Patiala after the payment of second instalment of Rs.3 lac to be paid on 10.12.2023, In that case the party no.2 complainant will fully co-operate in the said quashing proceedings and undertake to appear in the said proceedings before the Hon'ble Punjab and Haryana High Court At Chandigarh.*

*5. That after receiving third instalment amount of Rs.2,25,000/- on 10.02.2024 from the party no.1, the party no.2 complainant will be bound to make statement before the competent court in quashing of FIR proceedings.*



6. *That both the parties undertake to abide by all the terms and conditions of the settlement.*

7. *If any party fails to abide by the said terms and conditions of the settlement, the other party shall have full right to persue further the proceedings as per law.*

8. *The above settlement has been reached between the parties by way of their own free will, without any outside pressure or coercion or influence from any side.*

3. Counsel appearing on behalf of respondent No.2-complainant does not dispute the factum of compromise effected between the parties before the Mediation Centre, District Court Patiala and submits that he has no objection if the aforesaid FIR, along with all subsequent proceedings, is quashed

4. The Full Bench of this Court in the matter of "**Kulwinder Singh and others versus State of Punjab and another**" reported as **(Punjab and Haryana High Court) : 2007 (3) RCR (Criminal) 1052** has been observed as under:

*" (28) To conclude, it can safely be said that there can never be any hard and fast category which can be prescribed to enable the Court to exercise its power under Section 482 of the Cr.P.C. The only principle that can be laid down is the one which has been incorporated in the Section itself, i.e., "to prevent abuse of the process of any Court" or "to secure the ends of justice".*

*(29) In Mrs. Shakuntala Sawhney v. Mrs. Kaushalya Sawhney and Ors., Hon'ble Krishna Iyer, J. aptly summoned up the essence of compromise in the following words:*

*"The finest hour of justice arrives propitiously when parties, despite falling apart, bury the hatchet and weave a sense of*



*fellowship of reunion.”*

*(30) The power to do complete justice is the very essence of every judicial justice dispensation system. It cannot be diluted by distorted perceptions and is not a slave to anything, except to the caution and circumspection, the standards of which the Court sets before it, in exercise of such plenary and unfettered power inherently vested in it while donning the cloak of compassion to achieve the ends of justice.*

*(31) No embargo, be in the shape of Section 320(9) of the Cr.P.C., or any other such curtailment, can whittle down the power under Section 482 of the Cr.P.C.*

*(32) The compromise, in a modern society, is the sine qua non of harmony and orderly behaviour. It is the soul of justice and if the power under Section 482 of the Cr.P.C. is used to enhance such a compromise which, in turn, enhances the social amity and reduces friction, then it truly is "finest hour of justice". Disputes which have their genesis in a matrimonial discord, landlord-tenant matters, commercial transactions and other such matters can safely be dealt with by the Court by exercising its powers under Section 482 of the Cr.P.C. in the event of a compromise, but this is not to say that the power is limited to such cases. There can never be any such rigid rule to prescribe the exercise of such power, especially in the absence of any premonitions to forecast and predict eventualities which the cause of justice may throw up during the course of a litigation.*

*(33) The only inevitable conclusion from the above discussion is that there is no statutory bar under the Cr.P.C. which can affect the inherent power of this Court under Section 482. Further, the same cannot be limited to matrimonial cases alone and the Court has the wide power to quash the proceedings even in non-compoundable offences notwithstanding the bar under Section 320 of the Cr.P.C., in order to prevent the abuse of law and to secure the ends of justice.*



*(34) The power under Section 482 of the Cr.P.C. is to be exercised Ex-Debitia Justitia to prevent an abuse of process of Court. There can neither be an exhaustive list nor the defined para-meters to enable a High Court to invoke or exercise its inherent powers. It will always depend upon the facts and circumstances of each case. The power under Section 482 of the Cr.P.C. has no limits. However, the High Court will exercise it sparingly and with utmost care and caution. The exercise of power has to be with circumspection and restraint. The Court is a vital and an extra-ordinary effective instrument to maintain and control social order. The Courts play role of paramount importance in achieving peace, harmony and ever-lasting congeniality in society. Resolution of a dispute by way of a compromise between two warring groups, therefore, should attract the immediate and prompt attention of a Court which should endeavour to give full effect to the same unless such compromise is abhorrent to lawful composition of the society or would promote savagery.*

5. The legal principles as laid down for quashing were summarized by the Hon'ble Supreme Court in the matter of "**Parbatbhai Aahir @ Parbatbhai Bhimsinhbhai Karmur and others versus State of Gujarat and another**" (2017) 9 SCC 641, the same are extracted 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 in so*



*far 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 mis-demeanour. The consequences of the act complained of upon the financial or economic system will weigh in the balance.*

6. It is evident that in view of the amicable resolution of the issues amongst the parties, no useful purpose would be served by continuation of the proceedings. The furtherance of the proceedings is likely to be a waste of judicial time and there appears to be no chance of conviction.

7. The FIR in question has come into existence on account of a money dispute. The dispute in question is a civil dispute and the same has been resolved amicably with the intervention of the respectables from both sides. The FIR in question was registered on 04.09.2023 and the issue was resolved on 09.10.2023 i.e. at the initial stage of the investigation itself. The petitioner also does not suffer from any other criminal antecedents and is not involved in any other case. Continuation of the proceedings is not likely to



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enlarge any larger public interest. Besides, the offence in question cannot be said to be heinous or serious and/or outraging public conscience. It also does not amount to causing mental depravity or be termed as shocking to the conscience of the Court. The intention of parties in having agreed to give a quietus to the dispute in order to promote harmony and peaceful co-existence should thus be given due weightage. No interest of justice shall be advanced by incarceration of the petitioner and to force him to undergo the rigours of criminal prosecution.

8. Considering the facts of the instant case and noticing the principles laid down in the precedent judgments noticed earlier, the instant petition is allowed and the FIR No.86 dated 04.09.2023 under Section 420 of the IPC, registered at Police Station Ghanaur and all subsequent proceedings arising therefrom **are hereby quashed** in light of the compromise dated 09.10.2023 (Annexure P-3). However, the same would be subject to payment of costs of Rs.15,000/- to be deposited by the petitioner with the **Punjab Chief Minister Relief Fund, Account No.001934001000589, Punjab State Co-op. Bank, IFSC: TPSC0000019**, within one month from the date of receipt of a certified copy of this order.

(VINOD S. BHARDWAJ)

JUDGE

SEPTEMBER 15, 2025

*Vishal Sharma*

Whether speaking/reasoned : Yes/No  
Whether Reportable : Yes/No