

A MADAN MOHAN ABBOT  
v.  
STATE OF PUNJAB  
(Criminal Appeal No. 555 of 2008)

B MARCH 26, 2008  
[TARUN CHATTERJEE AND HARJIT SINGH BEDI, JJ.]

C *Code of Criminal Procedure, 1973 – Quashing of  
proceedings – FIR alleging offences under provisions of IPC  
– Compromise between the parties – Quashing of proceedings  
sought on the basis of compromise – Denied by High Court  
on the ground that s. 406 was not compoundable as the amount  
involved was more than Rs. 250/- – On appeal, held:  
D Proceedings are liable to be quashed as the dispute was of  
personal nature and no public policy was involved – The  
dispute where the question involved is of purely personal  
nature, the court should ordinarily accept the terms of  
compromise even in criminal proceedings – The outer limit  
of Rs. 250/- is irrelevant in the matter of quashing of  
E proceedings – Penal Code, 1860 – s. 406.*

F An FIR was registered u/ss 379, 406, 409, 418 and  
506/34 IPC. Thereafter a compromise was entered into  
between the parties. On the basis of the compromise,  
application was filed before High Court for quashing of  
the proceedings. The application was dismissed holding  
that s. 406 IPC was not compoundable as the amount  
involved was more than Rs. 250/-. Hence the present  
appeal.

G Allowing the appeal, the Court

HELD: From a reading of the FIR and the other  
documents on record, it is evident 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. Therefore, 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 passed away and the possibility of a conviction being recorded has thus to be ruled out. [Para 5] [529-D-F]

2. It is 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 technicalities of the law. The 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 letter case. The FIR and all proceedings connected therewith shall be deemed to be quashed. [Para 5] [529-F-H; 530-A-B]

CRIMINAL APPELLATE JURISDICTION : Criminal Appeal No. 555 of 2008.

From the Judgment and Order dated 14.2.2006 of the High Court of Punjab and Haryana at Chandigarh in CrI. Misc. No. 40589-M/2003.

Vikas Mehta, Nalin Talwar and Shashi M. Kapila for the Appellant.

Kuldip Singh, R.K. Pandey and T.P. Mishra for the Respondent.

A The Judgment of the Court was delivered by  
**HARJIT SINGH BEDI, J.** 1. Leave granted.

2. This appeal is directed against the judgment dated 14<sup>th</sup> February 2006 whereby an application for quashing of FIR  
B No.155 dated 17<sup>th</sup> 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  
C as the amount involved was more than Rs.250/- and that the case was already fixed on 28<sup>th</sup> April 2006 for the examination of the prosecution witnesses.

3. Notice was issued in this case on 21<sup>st</sup> August 2006 and the operation of the order was stayed in the meanwhile. A counter  
D 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  
E 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 25<sup>th</sup> January 2002 in which it has been inter-alia recorded as under:

F “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  
G 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  
H 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 25<sup>th</sup> 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 11<sup>th</sup> 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

- A realities and bereft of the 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
- B accordingly allow the appeal and in the peculiar facts of the case, direct that FIR No.155 dated 17<sup>th</sup> November 2001 P.S. Kotwali, Amritsar and all proceedings connected therewith shall be deemed to be quashed.

C K.K.T.

Appeal allowed.