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IN THE SUPREME COURT OF INDIA
CRIMINAL APPELLATE JURISDICTION

K.V. VISWANATHAN; J., ARUN PALLI; J.

SPECIAL LEAVE PETITION (CRL.) NO. 19051/2025; August 31, 2026

Anand Kumar @ Sanjay Lalwani *versus* The State of Madhya Pradesh And Ors.

Code of Criminal Procedure, 1973 (CrPC) – Section 482 r/w Section 320 [Bharatiya Nagarik Suraksha Sanhita, 2023 – Section 528 r/w Section 359] – Quashing of Criminal Proceedings on Compromise/Settlement vs. Compounding of Offences – Locus of Informant vs. Victim to Authorize Settlement - Quashing of criminal proceedings under Section 482 CrPC on the basis of a compromise between an offender and the victim is conceptually distinct from compounding of offences under Section 320 CrPC - Compounding is strictly circumscribed by statutory provisions where power is guided solely by Section 320 CrPC, whereas the High Court's inherent power to quash proceedings is guided by whether the ends of justice warrant such exercise and whether continuing proceedings would amount to an abuse of the legal process - "Victim" [Section 2(wa) CrPC / Section 2(y) BNSS] and "complainant/informant" are two distinct legal connotations - A complainant/informant need not necessarily be the victim, as even a stranger can set criminal law into motion - To seek quashing of criminal proceedings on the ground of an amicable settlement, it is only the real *victim* (i.e., the person who has suffered loss or injury due to the alleged offence) who can authorize a settlement, and not an informant who has suffered no injury - Disastrous consequences would follow if informants who are not victims are permitted to compromise disputes while the actual victim is left in limbo. [Paras 28–36].

Code of Criminal Procedure, 1973 (CrPC) – Section 482 – Indian Penal Code, 1860 (IPC) – Sections 467, 468, 471, 420, 406, 120B – Quashing based on settlement with the sole victim where dispute has civil flavour – Absence of consent of informant - The complainant/informant alleged that the accused forged a Power of Attorney of the landowner (Respondent No. 2), formed a partnership firm, and unlawfully got the land mutated in the firm's name, thereby depriving the informant of 7.50 acres of eucalyptus plantation allegedly given orally to him by Respondent No. 2 - the actual owner/victim (Respondent No. 2) entered into an amicable settlement with the accused, filed an affidavit admitting the validity of the partnership and mutation, and stated he had no grievances - The High Court declined to quash proceedings under Section 482 CrPC on the ground that the informant was not a party to the compromise and offences under Sections 406 and 420 IPC could not be compounded with a witness - Reversing the High Court's decision, the Supreme Court held: i. The High Court erred in conflating Section 320 compounding with Section 482 quashing; ii. Respondent No. 2 was the real victim of the alleged forgery and breach of trust. As the star witness had settled the dispute and affirmed the transactions, chances of conviction were bleak, and keeping the prosecution alive would be an exercise in futility and an abuse of judicial process; iii. The dispute predominantly bore a private and civil/commercial flavour with no wider repercussions on society; iv. The informant produced no documentary proof of title/interest in the land, nor showed that the accused had knowledge of any oral

assignment - The informant could not block the quashing of proceedings when the real victim had settled all grievances. [Relied on *Gian Singh v. State of Punjab*, (2012) 10 SCC 303; *Jagjeet Singh and Others v. Ashish Mishra alias Monu and Another*, (2022) 9 SCC 321; *Naushey Ali and Others v. State of Uttar Pradesh and Anr.*, (2025) 4 SCC 78; Paras 39–49]

For Petitioner(s): Mr. R. Basant, Sr. Adv. Mr. Priyank Upadhyay, AOR Mrs. Shivali Sharma, Adv. Mr. Anadi Kumar Taylor, Adv. Ms. Aishwarya Srivastava, Adv.

For Respondent(s): No.2 Ms. Meenakshi Arora, Sr. Adv. Mr. Utsav Trivedi, Adv. Mr. Harsh Pandya, Adv. Mr. Gaurav Sharma, Adv. For M/S. Tas Law, AOR

For respondent No.3 Mr. Sankalp Kochar, Adv. Mr. Siddharth R. Gupta, Adv. Mr. Mrigank Prabhakar, AOR Mr. Siddhant Kochar, Adv. Mr. Shantanu Sharma, Adv. Mr. Uddaish Palya, Adv. Ms. Vishala Dwivedi, Adv. Ms. Astha Singh, Adv.

For respondent No.1-State Mr. Rajan K Chaurasia, Adv. Ms. Mrinal Gopal Elker, AOR Mr. Rohit Singh, Adv.

For Applicant(s) in IA Nos.48090/2026 & 209992/2026 Mr. Anuj Bhandari, AOR

J U D G M E N T

K. V. Viswanathan, J.

1) Leave granted.

2) The present appeal calls in question the correctness of the order dated 19.09.2024 in Misc. Criminal Case No. 33770 of 2019 passed by the High Court of Madhya Pradesh at Jabalpur. By the said order, the High Court dismissed the petition filed by the appellant herein, under Section 482 of the Code of Criminal Procedure, 1973 (for short 'the Code'), seeking quashment of criminal proceedings in ST No. 459 of 2018 pending before the Court of Second Additional Sessions Judge, Bhopal, Madhya Pradesh.

BRIEF FACTS: -

3) The third respondent herein - Subhash Chandra Lalwani filed a criminal complaint on 18.10.2011 before the Court of Judicial Magistrate First Class, Bhopal, under Section 200 of the Code against the appellant herein and three others, namely, Sneha Bhosle, Shyam Sunder Joshi and Sunil Vishwakarma.

4) The gravamen of the charges in the complaint was that one Pradeep Singh Mehta (second respondent in this appeal and not arrayed as an accused) owned 54.48 acres of land in village Kanasaiya, Tehsil Huzur, District Bhopal. It was averred that out of the said land, 15.18 acres of land was situated in Khasra No. 562 and that out of the said 15.18 acres, 7.50 acres of land, having plantation of eucalyptus trees, was given to the complainant by Respondent No. 2.

5) It was averred that the appellant, along with the other accused, conspired to usurp the land. In pursuance thereto, they got typed one General Power of Attorney (GPA) dated 31.03.1997, purported to be executed by Pradeep Singh Mehta-Respondent No. 2 herein. It was averred that under the said Power of Attorney (PoA), Pradeep Singh Mehta purportedly appointed the appellant herein for farming, sale and for such other works, on his behalf, for the said 54.48 acres of land.

6) It was categorically averred in the complaint that the signature of Pradeep Singh Mehta on the Power of Attorney was forged and fabricated. Further, it was averred that a

Partnership Deed was prepared on 16.03.2000 and a Partnership Firm, under the name and style of M/s Paradise Farms, was formed whereunder the appellant herein along with accused Sneha Bhosle and Pradeep Singh Mehta Respondent No. 2, through his Power of Attorney holder-the appellant herein, were shown as partners. It was also mentioned in the said Partnership Deed that Pradeep Singh Mehta had contributed the aforesaid 54.48 acres of land to the said Partnership Firm, as his share towards the capital of the Firm and made the partnership firm, the sole owner of the said land. It was also mentioned in the Partnership Deed that on the retirement or death of any partner, the legal heirs of the said partner would not receive any share in the firm.

7) It was alleged that this was a well-planned illegal move to grab the land of Pradeep Singh Mehta with criminal intent. The crucial averments, on this aspect, are extracted hereinbelow: -

“6.It is not only illegal but also a well-planned move to grab the land of Pradeep Singh Mehta, which also reflects their criminal intent. In this way, Accused No. 1 and 2 also made fake Partnership Deed based on previous forged General Power of Attorney. They gave the name of firm as "M/s Paradise Farms" giving its address at 16, Nadir Colony, Shyamla Hills, which is also a residence address of Sanjay alias Anand Kumar Lalwani. In the preparation of said Partnership deed Accused Person No.3 & 4 not only supported them but also signed it.”

(Emphasis supplied)

8) Further, it was alleged that the appellant herein (Sanjay Lalwani) and Sneha Bhosle filed an application before the Assistant Settlement Officer, Anand Nagar, Bhopal, for mutating the said land in the name of the Partnership Firm wherein the application for mutation was signed by both the accused in their individual capacity and the appellant herein signed as Power of Attorney holder of Pradeep Singh Mehta.

9) Vide order dated 07.06.2000, the Assistant Settlement Officer, Anand Nagar, Bhopal, allowed the said mutation in favour of M/s Paradise Farms in which the complainant's land of 7.50 acre was also a part, which caused loss to the complainant as well to Pradeep Singh Mehta-Respondent No. 2 herein.

10) It was alleged that due to close relationship between Pradeep Singh Mehta and father of the complainant, the latter used to take care of the said land of Pradeep Singh Mehta and his father Jai Singh Mehta. Thereafter, it was averred as follows: -

“11. That since the father of Complainant got quite old, as such as per his will, there was a settlement of the agriculture land in year 2000. According to which, Pradeep Singh Mehta continued occupying his 54.48 Acre land but out of 15.18 acre land of Khasra No.562, 7.50 acre land came in favour of Complainant.

12. That since the time of Complainant's father Accused No.1 Anand Alias Sanjay Kumar Lalwani used to look after the work of farming and apart from farming of land of Complainant's, he looked after farming for Pradeep and his family.

13. That, few months before, the Complainant came to know that the entire land 54.48 acre has been mutated in the name of M/s Paradise Farms and partner of M/s Paradise Farm is Accused No.1. After gaining knowledge, Complainant came to know that Accused Person No.1 & 2 made the partnership deed of paradise farm. Based on forged documents, land got mutated in

the name of Paradise Farms and after all such enquiry, the present complaint is being filed with delay due to above reasons.

Therefore, offence U/s 466, 467, 468, 471, 420, 406, 120-B I.P.C. be registered against all accused persons, so that all Accused Person be punished as per punishment prescribed under above sections in the interest of justice.”

11) During the course of proceedings under the complaint, Pradeep Singh Mehta, in his sworn statement, recorded on 09.02.2012, did depose that the signature on the Power of Attorney was forged. He also deposed that out of 54.48 acres of land, he had indeed given 7.50 acres to the complainant.

12) On 28.05.2012, the learned Judicial Magistrate First Class, Bhopal, took cognizance since *prima facie* case was found for offences under Sections 466, 467, 468, 471, 420, 406 and 120B of the Indian Penal Code, 1860 (for short ‘the IPC’) against the accused. On 07.03.2013, the appellant herein and other accused filed a revision to challenge the cognizance order dated 28.05.2012 before the Additional Sessions Judge, Bhopal but the same was dismissed, the same day, as being time barred.

FIRST ROUND OF PROCEEDINGS IN THE HIGH COURT:-

13) The appellant herein, Sneha Bhosle and Sunil Vishwakarma took the matter to the High Court under Section 482 of the Code. The High Court, vide judgment and order dated 03.04.2018, dismissed the Section 482 petitions filed by the appellant and Ms. Sneha Bhosle but allowed the petition insofar as another accused - Mr. Sunil Vishwakarma was concerned.

14) One crucial finding that was recorded in the order of the High Court, while declining to quash the proceedings, was that in the absence of any documentary evidence as to the transfer of 7.50 acres of land by Pradeep Singh Mehta to Subhash Chandra Lalwani and only based on the oral statement of the complainant and Pradeep Singh Mehta, it could not be assumed that the complainant had any interest in the disputed land. The relevant finding was in the following terms:-

“24. If we examine the instant case in the light of above settled position of law, the non-applicant filed complaint averring that the disputed 54.48 acres of land situated at Kanha Saiya was owned by Pradeep Singh Mehta and out of that land Pradeep Singh Mehta gave 7.50 acres of land of Khasra No.562 to the complainant/non-applicant. **In alternate complainant also averred that he got that land in family partition. But complainant did not produce any document or family settlement deed in this regard. The disputed land is immovable property earlier owned by Pradeep Singh Mehta and cannot be transferred to applicant who is not a family member of Pradeep Singh Mehta without any transfer deed like gift deed, sale deed etc., while complainant did not file any such document in this regard. So, merely on the oral statement of applicant that Pradeep Singh Mehta gave 7.50 acres of land of Khasra No.562 to him or he got that land in family partition can not be considered correct. Although, Pradeep Singh Mehta also stated before the Court that he gave 7.50 acres of land of Khasra No.562 to complainant, but he also did not depose that how and when he transferred that land to the complainant. From the averment of complaint it is clear that the disputed land is in possession of applicant since a long time. Complainant also did not depose that he ever tried to take possession of land from the applicant, which was allegedly given by Pradeep Singh Mehta to him. So in the absence of any documentary evidence only on the**

basis of oral statement of complainant and Pradeep Singh Mehta it can not be assumed that complainant has any interest in disputed land.”

(Emphasis supplied)

15) The High Court, in the said proceeding, on the basis that the Power of Attorney was alleged to be forged and that the Partnership Deed was prepared and mutation was obtained in the name of the partnership firm, refused to quash the proceedings. A Special Leave Petition filed by accused Sneha Bhosle against this order, was dismissed by this Court, on 26.07.2018.

16) The complaint was committed to the Court of Sessions and registered as ST No. 459 of 2018. Charges were also framed under Sections 467, 468 and 471 IPC against the appellant. Aggrieved, the complainant (R3) filed a criminal revision in CRR No. 2747 of 2019 before the High Court seeking additional charges under Sections 406, 409, 420 and 466 IPC. That revision is still pending in the High Court.

SECOND ROUND OF PROCEEDINGS IN THE HIGH COURT

17) On 08.08.2019, the appellant filed Misc. Crl. Case No. 33770 of 2019 seeking quashment of criminal proceedings pending before the Sessions Court being ST No. 459 of 2018 on the ground that a compromise has been reached between the appellant herein and Pradeep Singh Mehta. An affidavit by Pradeep Singh Mehta was filed to this effect before the High Court. The affidavit was in the following terms: -

“I, Pradeep Singh Mehta, s/o Late Shri Jai Singh Mehta, aged 71 years, R/o 48, Ajmera Garden, Nirman Nagar, Jaipur, (Rajasthan) do hereby solemnly affirm and state on oath as under:

1. That I owned 54.48 acres agriculture land at Village Kanasaiyya, Tehsil Huzur, District Bhopal.
2. That since I have been living at Jaipur and earlier at Kolkata, the said land was managed by my maternal uncle Late Shri Sardarmal Lalwani. We have been maintaining very cordial relation between our families for the past 75-80 years.
3. **That for better management and a formal arrangement to share profits or losses, I had contributed the said land into a partnership firm, namely, Paradise Farms and the deed was written on 16.03.2000, with myself as partner in profit and loss being 30%, partner Sanjay Lalwani and partner Smt. Sneha Bhosle as 20%.**
4. **That the formalities to form the partnership and mutation were carried out Sanjay Lalwani as per my instruction and authorized on my behalf.**
5. That the firm has been carrying on business of agriculture and plantation, duly filing Income tax returns, maintaining bank account, depositing land revenue, etc, and my capital account has been settled on a year-to-year basis as per my satisfaction.
6. **That earlier my cousin Shri Subhash Chandra Lalwani, s/o Late Shri Sardarmal Lalwani had approached me to offer 7.50 acres from the said land. However, the same did not mature and no consideration was transacted in this regard between us.**
7. That Subhash Chandra Lalwani filed a criminal complaint against his younger brother- my other cousin, and partner in M/s Paradise Farms Anand Kumar @ Sanjay Lalwani & others. On Subhash Chandra Lalwani pursuance, I was summoned by the Ld. Trial Court as a witness to testify my signatures on a photocopy of a document known as

power of attorney. There was no denial of the partnership deed or mutation in my deposition.

8. That admittedly due to emotional and familial bonding my brother Subhash Chandra Lalwani led to me give the statement on 09-02-2012 before Ld. Trial Court. Although I am neither a complainant nor an aggrieved person, I have no grievance or grudge whatsoever against Anand Kumar @ Sanjay Lalwani, Sneha Bhosle or Shyam Sundar Joshi, or any of the accused for any offences mentioned in the said complaint bearing number S.T. 459/2018 charge or otherwise.

9. That Subhash Chandra Lalwani has no interest in the said land, as well as power of attorney, partnership or mutation.

10. That I do not want to be a part of this complaint any further and would therefore pray to this Hon'ble Court to exclude me from any such proceedings or the case and compound the case and thereby quash the proceedings in S.T. 459/2018 pending in the Hon'ble Court of II A.D.J. Bhopal, to avoid unnecessary litigation between me, Subhash Chandra Lalwani, Anand Kumar Lalwani or any other and to maintain peace and harmony amongst our families. That the above affidavit is being given by me and in utmost sound state of mind without any pressure, influence, collusion or coercion with my free will so help me God.

(Emphasis supplied)

18) On 13.08.2019, the High Court directed the Registrar (JII) to verify the genuineness and authenticity of the compromise and submit a Report. On the same day, the Registrar submitted a Report that Pradeep Singh Mehta and the appellant herein wanted to end all disputes and animosity between them; that Pradeep Singh Mehta was not under any threat, inducement or compulsion to enter into the compromise; and, that the compromise was voluntarily entered into to maintain peace and cordial relations between them. It was further reported that the compromise was genuine and authentic.

19) It must be pointed out that the Report refers to Pradeep Singh Mehta as the complainant. Though the Registrar has used the word 'complainant' to describe Pradeep Singh Mehta, that really does not affect the findings recorded by him.

ORDER IMPUGNED:-

20) By virtue of the impugned order, the High Court dismissed the appellant's petition under Section 482 of the Code. The High Court, in its short order, held as under: -

"9. Even the provisions of Section 320 of Cr.P.C. stipulate that an offence under Section 406 of IPC can be compounded by owner of the property in respect of which breach of trust has been committed and an offence under Section 420 of IPC can be compounded by the person so cheated.

10. The contents of the complaint reflect that the complainant received 7.50 acres of land from the original owner i.e. Mr. Pradeep Singh Mehta and Mr. Pradeep Singh Mehta in his testimony recorded under Section 202 of Cr.P.C. has stated that he had transferred the 7.50 acre of land to the complainant. The veracity of said assertion made in complaint as well as the sifting of evidence of Mr. Pradeep Singh Mehta is an exercise which is required to be taken recourse to by the trial Court.

11. The entire provisions of Section 320 of Cr.P.C. nowhere stipulate that the offence can be compounded even on the basis of compromise between the accused and witness of the complaint. The complainant in the present case has not entered into any settlement

or compromise with the present applicant/accused person. Therefore, the quashment cannot be sought only on the basis of amicable settlement arrived at between the accused person/present applicant and respondent No.2 who is not the complainant but only a witness of the complainant.

12. Therefore, in view of the aforesaid, this Court is of the considered view that on the basis of compromise so arrived at between the accused person/present applicant and respondent No.2, the complaint filed by the complainant/respondent No.3 cannot be quashed who is not party to the amicable settlement.

13. Resultantly, this petition filed under Section 482 of 'Cr.P.C. stands dismissed. No order as to costs."

(Emphasis supplied)

21) According to the High Court, under Section 320 of the Code, the offence under Section 406 IPC can be compounded only by the owner of the property in respect of which breach of trust has been committed and an offence under Section 420 IPC can be compounded only by the person so cheated. Further, the High Court held the veracity of the assertion made in the complaint that Subhash Chandra Lalwani-Respondent No. 3 was given 7.50 acres of land by Pradeep Singh Mehta as well as sifting the evidence of Pradeep Singh Mehta, was an exercise which was required to be undertaken by the Trial Court, at the Trial. The entire provisions of Section 320 of the Code, according to the High Court, did not stipulate that the offence can be compounded on the basis of a compromise arrived at between accused and the witness of the complaint. The High Court held that the complainant in the present case has not entered into any settlement or compromise with the appellant herein. The High Court further held that since the complainant was not party to the compromise, the proceedings cannot be quashed.

22) Aggrieved, the appellant is in appeal by way of special leave before us.

23) We have heard Mr. R. Basant, learned Senior Counsel for the appellant, Ms. Meenakshi Arora, learned Senior Counsel for Respondent No. 2 - Pradeep Singh Mehta, Mr. Sankalp Kochar, learned Counsel for the Respondent No. 3 - Subhash Chandra Lalwani and Mr. Rajan K. Chaurasia, learned Counsel for the Respondent No. 1- State of Madhya Pradesh.

CONTENTIONS:-

24) Mr. R. Basant, learned Senior Counsel, contended that the High Court has completely misunderstood the submission of the appellant; that the case of the appellant did not pertain to compounding of offences but was about quashment of proceedings based on the compromise; that there is a distinction between compounding of an offence and quashment of an offence; that the victim of the crime, as per the complaint, was Pradeep Singh Mehta; that in the earlier round, the High Court had held that there was no basis for the claim of the complainant that 7.50 acres was given to the complainant; and, that in the light of the affidavit of Pradeep Singh Mehta, it will be an abuse of the process to continue the complaint.

25) Ms. Meenakshi Arora, learned Senior Counsel submitted that consent of the informant was not required as the informant was not the victim; that no consideration has been forthcoming for the so-called giving of 7.50 acres by Pradeep Singh Mehta to the informant and that the informant did not dispute the existence of the partnership on

16.03.2000 and at no stage questioned the mutation. Ms. Meenakshi Arora also reiterated the averments in the affidavit of compromise as part of her submissions.

26) Mr. Sankalp Kochar, learned counsel for the informant argued that the affidavit of R2 contradicted the sworn statement given by him before the Magistrate; that the Registrar proceeded on the basis that Pradeep Singh Mehta was the complainant; and, that nowhere in the affidavit Pradeep Singh Mehta has stated that signature on the Power of Attorney was his. The learned counsel for the State Mr. Rajan K. Chaurasia supported the informant. The interveners are, the two other accused, Sneha Bhosle and Shyam Sunder Joshi, who also sought quashment of proceedings.

QUESTION FOR CONSIDERATION:-

27) In the above background, the question that arises for consideration is - Whether in the light of the affidavit of compromise between the appellant and respondent No. 2, could it be said that continuation of proceedings would be an abuse of process of law warranting quashment of proceedings?

ANALYSIS AND REASONING:-

28) At the very outset, it has to be highlighted that “compounding of offence” and “Quashing of offence due to a settlement” are two different concepts. The concept of compounding is circumscribed by Section 359 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (for short ‘the BNSS’) (erstwhile Section 320 of the Code). In the case of quashing the proceedings due to settlement, the guiding principles are whether in the teeth of the settlement, there was any likelihood of the accused being convicted and further whether in the light of the settlement, continuing the proceedings will be an abuse of process.

29) Recently, this Court, speaking through one of us (K.V. Viswanathan, J.), in **Naushey Ali and Others vs. State of Uttar Pradesh and Anr.** (2025) 4 SCC 78, relying upon **Gian Singh vs. State of Punjab** (2012) 10 SCC 303, held as under:-

“17. As explained in *Gian Singh v. State of Punjab* (2012) 10 SCC 303, quashing of offence or criminal proceedings on the ground of settlement between an offender and victim is not the same thing as compounding of offence. This Court, highlighting the difference, had the following to say : (SCC pp. 340-41, paras 57-58)

“57. *Quashing of offence or criminal proceedings on the ground of settlement between an offender and victim is not the same thing as compounding of offence. They are different and not interchangeable. Strictly speaking, the power of compounding of offences given to a court under Section 320 is materially different from the quashing of criminal proceedings by the High Court in exercise of its inherent jurisdiction. In compounding of offences, power of a criminal court is circumscribed by the provisions contained in Section 320 and the court is guided solely and squarely thereby while, on the other hand, the formation of opinion by the High Court for quashing a criminal offence or criminal proceeding or criminal complaint is guided by the material on record as to whether the ends of justice would justify such exercise of power although the ultimate consequence may be acquittal or dismissal of indictment.*”

30) The only aspect to be borne in mind is even though compounding and quashing are conceptually different, this Court, in **Gian Singh (supra)**, has pointed out that merely because there is a settlement, for certain categories of offences, proceedings will not be quashed. This carve out is on the premise that, crimes that have harmful effects on the public and consist of wrongdoing that seriously endangers and threatens the well-being of

the society cannot be quashed only because the accused and the victim have amicably settled the matter.

31) This takes us to the next issue as to the distinction between “victim” and “informant” in a criminal case. In **Jagjeet Singh and Others vs. Ashish Mishra alias Monu and Another**, (2022) 9 SCC 321, this Court held that “victim” and “complainant/informant” are two distinct connotations in criminal jurisprudence. The relevant para of the judgment is set out hereinbelow:-

“23. A “victim” within the meaning of CrPC cannot be asked to await the commencement of trial for asserting his/her right to participate in the proceedings. He/She has a legally vested right to be heard at every step post the occurrence of an offence. Such a “victim” has unbridled participatory rights from the stage of investigation till the culmination of the proceedings in an appeal or revision.

We may hasten to clarify that “victim” and “complainant/informant” are two distinct connotations in criminal jurisprudence. It is not always necessary that the complainant/informant is also a “victim”, for even a stranger to the act of crime can be an “informant”, and similarly, a “victim” need not be the complainant or informant of a felony.”

(Emphasis supplied)

32) In this case, one of the questions considered by the High Court was whether the complaint could be quashed wherein the complainant/informant Subhash Chandra Lalwani Respondent No. 3 has not signed the affidavit of compromise. That leads us to the question whether in criminal law, where proceedings are sought to be quashed on the ground of a settlement, should it be the informant even if not a victim, who alone should be the party or proceedings could be quashed only where the real “victim” (which may include the informant) in a case and the accused arrive at a settlement.

33) In our opinion, the answer is very plain and clear as daylight. It will only be the victim who can authorize a settlement.

34) Section 39 of the Code (Section 33 of the BNSS), provides for circumstances under which every person, aware of the commission of or of the intention of any other person to commit, any offence punishable under the prescribed Sections forthwith give information to the nearest Magistrate or police officer of such commission or intention. As has been elucidated hereinabove, to set the criminal law in motion, it need not always be the victim who does it. Disastrous consequences will arise if such informants (who are not victims) are allowed to enter into settlement and the real victim is left in limbo. Hence, what law contemplates is that it is the real victim who has to be a party to the settlement on the basis of which quashment of proceedings are sought under Section 482. Further, the case on which quashment is sought should fall within the parameters of such categories of cases which could be quashed based on parties arriving at a settlement.

35) It is apt here to refer to the definition of ‘victim’ under Section 2(wa) of the Code and Section 2(y) of the BNSS, which read as under:-

Section 2(wa) of the Code defines “victim” as under: -

“2. Definitions.-....

(wa) “victim” means a person who has suffered any loss or injury caused by reason of the act or omission for which the accused person has been charged and the expression

“victim” includes his or her guardian or legal heir;”

Section 2(y) of the BNSS defines “victim” as under:-

“2. Definitions.-....

(y) “victim” means a person who has suffered any loss or injury caused by reason of the act or omission of the accused person and includes the guardian or legal heir of such victim;”

36) To reinforce the above holding, one has to only peruse the provisions providing for compounding of offences. Under Section 359 of the BNSS, the third column deals with “Person by whom offence may be compounded”. Even for offences that are compoundable, the person, by whom the offence may be compounded, is the person who has suffered loss or injury. To illustrate:-

Offence	Section of the Indian Penal Code applicable	Person by whom offence may be compounded
Voluntarily causing hurt	323	The person to whom the hurt is caused.
Wrongfully restraining or confining any person	341, 342	The person restrained or confined.
Mischief, when the only loss or damage caused is loss or damage to a private person	426, 427	The person to whom the loss or damage is caused.
Mischief by injury to works of irrigation by wrongfully diverting water when the only loss or damage caused is loss or damage to private person	430	The person to whom the loss or damage is caused.
Using a false trade or property mark	482	The person to whom loss or injury is caused by such use.

Though the offences in our case are non-compoundable, the above Chart is only to highlight that it is only the victim, namely, the person who has suffered loss or injury, who could settle with the accused. Even here, care has to be taken to ensure that heinous offences, as set out in **Gian Singh (supra)**, are not quashed under the pretext of settlement since they have wider ramifications on the society.

37) In **Gian Singh (supra)**, this Court, dealing with the power to quash proceedings based on settlement between the victim and the accused, speaking through the felicitous words of R.M. Lodha, J., (as the learned Chief Justice then was), held as follows:

“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."**

(Emphasis supplied)

38) In *Gian Singh (supra)*, it was expressly held that certain offences which overwhelmingly and predominantly bear civil flavour having arisen out of civil, mercantile, commercial, partnership or such like transactions, where the wrong is basically to the victim and where the victim has settled all disputes, court may quash the proceedings, even if the offences are not compoundable.

Is Pradeep Singh Mehta (R-2) - A Victim?

39) This, however, does not put an end to the controversy. The question that arises is, on the facts of the case, is Pradeep Singh Mehta-Respondent No. 2, a victim. Further, if he is, is Subhash Chandra Lalwani-Respondent No. 3 also a victim and could the complaint be quashed in the absence of a settlement with Subhash Chandra Lalwani-Respondent No. 3.

40) There is no manner of doubt that Pradeep Singh Mehta Respondent No. 2 is indeed a victim. A careful perusal of the complaint, which has been dealt with in detail hereinabove, clearly brings out this fact. The substratum of the case of the informant was that it was the signature of Pradeep Singh Mehta-Respondent No. 2 which was forged and it was on that basis that the partnership was set out and further mutations were obtained. It is undisputed that reading of the complaint reveals that it was Pradeep Singh Mehta who suffered a loss and injury by reason of the acts of the accused. Hence, there is no escape from the conclusion that Pradeep Singh Mehta is indeed a victim.

41) The point that is canvassed by Respondent No. 3 is that Pradeep Singh Mehta had given a sworn statement before the Magistrate that the signature on the Power of Attorney (PoA) was not his. Thereafter, in the subsequent affidavit, he had reneged. We have examined his sworn statement as well as the affidavit. We are convinced that Pradeep Singh Mehta is categorical that he has stated in his affidavit that he does not want the proceedings to continue. He has sworn an affidavit stating that he indeed has contributed the land into the partnership under the name M/s Paradise Farms; that the formalities to form the partnership and mutation were carried out by the appellant as per his instructions; that for the last several years, the Firm has been carrying on business and filing returns

to his satisfaction; that Respondent No. 3 had approached him to offer 7.50 acres of land but that did not mature and no consideration was transacted; that Respondent No. 3 led him to give the statement before the Magistrate; that he has no grievance whatsoever against the accused; and, that he does not want to be a part of the complaint and join the prayer for quashing the proceedings. In the teeth of this affidavit, we are convinced that Pradeep Singh Mehta, who being the star witness, would be of no support to the prosecution. The writing is clearly on the wall. On this score, we are convinced that continuing the proceedings would be an abuse of process and wastage of judicial time.

42) Further, we are satisfied that the settlement falls within the parameters of cases which could be quashed as laid down in ***Gian Singh (supra)***. It is purely a personal dispute which has no repercussions on society, in general.

43) The offences alleged have a civil flavour with commercial overtones. In the face of settlement, chances of conviction are bleak. If not quashed, this will be one more case which will clog the judicial system and be a stumbling block for other important cases crying for justice. Ends of justice would be better served by weeding out these proceedings where the major protagonists in the drama who though originally were at daggers drawn, have buried their differences, shaken hands and moved on.

Is Subhash Chandra Lalwani (R-3) also a victim?

44) There is one more outstanding issue. Is Subhas Chandra Lalwani-Respondent No. 3, a mere informant or is he a victim too? The case of Respondent No. 3 is that out of the total extent, 7.50 acres was given to him and that Pradeep Singh Mehta, in his own statement, in fact, has spoken in this regard. We have seen the finding of the High Court, in its order dated 03.04.2018, in Misc. CrI. C No. 7209 of 2013 and the connected matters. The High Court clearly held that there was no documentary evidence and only on the basis of oral statement, it could not be assumed that the informant Respondent No. 3 has any interest in the land.

45) We do not want to rest our conclusion only on the basis of the above observations. There is one additional reason. We will proceed on the basis that Subhash Chandra Lalwani Respondent No. 3 was indeed a victim. But the question is whose victim was he? A careful perusal of the complaint indicates that the grievance, at the highest, raised by Respondent No. 3 is that the 7.5 acres of land given to him was also thrown into the partnership and he has been deprived of the said land.

46) Today, in the background of Pradeep Singh Mehta, having conceded to the formation of the partnership and the correctness of the mutation, having expressly stated that he has no grievance against the appellant and other accused even on the aspect of Power of Attorney (PoA), Respondent No. 3 cannot have any basis to prosecute the appellant.

47) In the complaint, in Para 6 it is categorically averred that the attempt of the accused was to grab the **land of Pradeep Singh Mehta**. Further it is averred in Para 11 that Pradeep Singh Mehta **continued occupying his 54.48 acres land** but out of 15.18 acres land of Khasra No. 562, 7.50 acres land came in favour of complainant. Earlier in Para 4 it had been averred that Pradeep Singh Mehta gave 7.50 acres of land to the complainant. Most importantly, while conceding that Pradeep Singh Mehta continued to occupy the entirety of 54.58 acres nowhere it is averred in the complaint that the appellant was aware

that 7.50 acres of land was given by Pradeep Singh Mehta and his father, to the complainant. The only averment in Para 12 is that the appellant used to look after work of farming and apart from farming of land of complainant, he looked after farming for Pradeep Singh Mehta and his family. At best taking the complainant's case at its highest Pradeep Singh Mehta could have known of the handing over of 7.50 acres of land, if any, to the complainant. Pradeep Singh Mehta is not an accused in the complaint. Considering the overall facts and circumstances and in the teeth of the affidavit of Pradeep Singh Mehta, on these facts we are of the opinion that allowing the complainant to prosecute the appellant and the other accused would be an abuse of process.

48) For the reasons stated above, we quash the proceedings both on the ground of settlement between the appellant and Pradeep Singh Mehta as well as on the ground that on the facts of the case, Respondent No. 3 has made out no case against the appellant and other accused.

CONCLUSION:-

49) In view of the aforesaid, the appeal is allowed. Accordingly, we set aside the impugned judgment of the High Court dated 19.09.2024 in Misc. Criminal Case No. 33770 of 2019. The consequence will be that the complaint pending trial before the Second Additional Sessions Judge, Bhopal, in ST No. 459 of 2018 stands quashed against all the arrayed accused. Further, in view of our judgment, nothing further survives in CRR No. 2747 of 2019, pending before the High Court, and the same would also stand dismissed by this judgment.

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