

2025:PHHC:075977



**IN THE HIGH COURT OF PUNJAB AND HARYANA  
AT CHANDIGARH**

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**CRM-M-23525-2025  
DATE OF DECISION:01.05.2025**

**NALINA JOSEPH AND OTHERS** **....PETITIONERS**

**VERSUS**

**STATE OF PUNJAB AND OTHERS** **....RESPONDENTS**

**CORAM: HON'BLE MR. JUSTICE SANDEEP MOUDGIL.**

Present: Mr. Vinay V. Nair, Advocate and  
Mr. Venkatesh Jairam, Advocate and  
Ms. Meenakshi Dogar, Advocate  
for the petitioners.

Mr. Parminder Pal Singh, Advocate  
for respondent No.3.

**SANDEEP MOUDGIL, J**

1. The instant petition has been preferred under section 528 of BNSS,2023 seeking quashing of FIR No. 430 dated 16.12.2024 (Annexure P-1) registered under Sections 409 and 120-B IPC, at Police Station Phase 1, District SAS Nagar, Mohali and all other consequential proceedings arising therefrom.

2. Petitioners No. 1 and 2 are seasoned professionals with 16 and 30 years of experience respectively in the logistics industry, and they jointly own a company named Conquest Logistics Pvt. Ltd. Petitioner No. 3 is their employee. In April 2024, the Informant (Respondent No. 2) approached the Petitioners seeking assistance for export of sugarcane to Uzbekistan via Iran. The Petitioners explicitly informed the Informant that their role was limited to transportation from Nhava Sheva Port, Mumbai, to Bandar Abbas, Iran, and

any further transportation beyond Iran would have to be arranged independently by the Informant. A written quotation (Annexure P-2) was duly shared with the Informant, clearly stipulating that charges beyond Bandar Abbas were not included and would be borne by the Informant. The Petitioners also informed the Informant of the necessity of an Import Export Code (IEC). When the Informant failed to arrange for an IEC, the Petitioners assisted using a third-party IEC to enable the shipment. Upon receiving approval from the Informant, the Petitioners initiated the shipment process. Two containers were loaded on 16<sup>th</sup> May, 2024, customs-cleared on the same day, and transported to Nhava Sheva Port. The Informant made a part-payment of Rs. 5,00,000/- on 17<sup>th</sup> May, 2024, and the shipment sailed to Iran on 21<sup>st</sup> May, reaching Bandar Abbas on 31<sup>st</sup> May, 2024. Despite repeated reminders, the Informant failed to pay the balance of Rs. 5,95,000/- and an escalation cost of Rs. 2,85,000/-. The Petitioners therefore retained the Bill of Lading and other documents until dues were cleared. A week later, on 7<sup>th</sup> June, 2024, only a part of the dues (Rs. 5,95,000/-) was cleared. Rather than resolving the issue amicably, the Informant issued a legal notice dated 19<sup>th</sup> June, 2024 (Annexure P-4), and subsequently filed a complaint in July 2024 with the Dy. Superintendent, Mohali, to which Petitioner No. 2 responded in detail (Annexures P-5 & P-6). On 16th December, 2024, FIR No. 430/2024 was registered under Sections 409 and 120B IPC against the Petitioners (Annexure P-1).

3. On 10<sup>th</sup> April, 2025, the Petitioners were arrested by Punjab Police from Maharashtra without following proper procedures and were subjected to illegal detention, search, and seizure. Despite the Magistrate at Panvel rejecting the Transit Remand on 11th April, 2025 (Annexure P-7), the Petitioners complied with the direction and appeared before the Magistrate at

Kharar, Punjab on 15th April, 2025. However, they were unlawfully detained under the guise of a medical test and surreptitiously produced before the Duty Magistrate without informing their Counsel. The Duty Magistrate, upon learning that the Petitioners' counsel was misled and deliberately kept away by the Investigating Officer (Respondent No. 3), ordered the release of the Petitioners on PR Bond and directed action against the concerned police officer for abuse of process (Annexure P-8).

4. The Petitioners, engaged in the logistics business under the name *Conquest Logistics Pvt. Ltd.*, claim that the FIR is an abuse of process and arises out of a purely civil-commercial dispute concerning the export of goods (sugarcane) from India to Iran. According to the Petitioners, the Informant (Respondent No. 2) failed to make full payment for logistics services and subsequently resorted to criminal proceedings to pressurize the Petitioners. It is alleged that the Informant had agreed to bear the cost of transport beyond Bandar Abbas, Iran, and that partial payments were made. The Petitioners contend that the Bill of Lading and documents were withheld only due to non-payment of the outstanding dues.

5. Learned counsel for the Petitioners has further pointed to procedural irregularities during arrest, alleged misconduct by the Investigating Officer, and the Magistrate's observations at Panvel and Kharar, including the grant of bail and the censure of police conduct.

6. However, after hearing the parties and perusing the material on record, this Court is of the considered opinion that disputed questions of fact arise in the present matter, including the scope of agreement between the parties, the use of a third-party Import Export Code (IEC), and the alleged withholding of crucial shipping documents despite full or substantial payment. These are matters which require investigation and potentially trial.

7. The FIR discloses *prima facie* allegations that may constitute criminal breach of trust. The assertion that documents essential to the clearance of goods were deliberately withheld raises a matter that cannot be summarily quashed at this stage. The use of another party's IEC, even with the Informant's knowledge, may require scrutiny in terms of applicable export regulations and whether such conduct involved any fraudulent or dishonest intention from inception. While the conduct of the Investigating Officer as alleged by the Petitioners including procedural lapses and misrepresentation before the Magistrate is concerning, such misconduct cannot be the sole basis for quashing the FIR itself.

8. The Supreme Court has consistently held, including in *State of Haryana v. Bhajan Lal, AIR 1992 SC 604*, that criminal proceedings can be quashed only when the allegations, even if accepted at face value, do not disclose any offence or where the proceedings are manifestly attended with mala fide or malicious intent. That threshold has not been met in the present case.

9. In light of the above, this Court is not inclined to exercise its inherent powers under Section 528 of BNSS, 2023, at this stage and finds no cogent reason to interfere with the proceedings on going in this matter, as disputed questions of facts are involved that can only be adjudicated once the parties are able to lead the evidence before the trial Court.

10. Accordingly, the present petition stands dismissed.

01.05.2025

*Sham*

(SANDEEP MOUDGIL)  
JUDGE

*Whether speaking/reasoned*      Yes/No  
*Whether reportable*              Yes/No