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

02

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Reserved on: 03.07.2026

Pronounced on: 31.08.2026

RAKESH KUMAR CHOUDHARY

..... PETITIONER

VERSUS

STATE OF PUNJAB AND OTHERS

..... RESPONDENTS

CORAM: HON'BLE MR. JUSTICE SURYA PARTAP SINGH

Present : Mr. Gurminder Singh, Senior Advocate with
Mr. R.P.S. Bara, Advocate
for the petitioner.

Mr. Eklavya Darshi, Deputy Advocate General, Punjab
for the respondents No.1 to 5.

SURYA PARTAP SINGH. J.

1. This petition under Section 482 of the Code of Criminal Procedure, hereinafter being referred to as "Cr.P.C.", has been filed by the petitioner for quashing of FIR No.100 dated 10.10.2022 Police Station Kiratpur Sahib, District Rupnagar. The above-mentioned FIR has been lodged for the commission of offence punishable under Sections 379 IPC and Sections 4(1), 21(1) of Mines and Minerals (Development and Regulation) Act 1957.

2. In nut-shell the facts emerging from record are that the FIR of this case came into being on receipt of a complaint addressed to Senior Superintendent of Police Rupnagar, by Executive Engineer, Water Drainage-

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cum-Mining Division Rupnagar. It was complained by the above-named complainant that on 16.05.2022, a complaint submitted by Sh. Baljeet Singh was received in the office of Principal Secretary and in response to above-mentioned complaint, the Chief Engineer Vigilance, constituted a six members Committee to conduct enquiry with regard to allegations contained in the complaint. The above-mentioned committee conducted an enquiry and submitted the report. In view of findings recorded in the above-said enquiry report, the above-said Executive Engineer requested for registration of FIR, against the petitioner, for the commission of offence punishable under Sections 4(1), 21(1) of Mines and Minerals (Development and Regulation) Act 1957 and Section 379 IPC. Aggrieved of above-mentioned FIR, the present petition has been filed.

3. Heard.

4. It has been contended by learned senior counsel for the petitioner that petitioner is a licensee for the mining of minor minerals in Block No.1, situated in District Ropar, and that the above-mentioned licence was awarded to the petitioner in e-auction dated 29.07.2019, conducted by the respondent-department. According to learned senior counsel for the petitioner, despite the fact that the mining of minor minerals was being conducted by the petitioner, strictly in accordance with terms and conditions of contract awarded to him by the respondent, in total illegal and arbitrary manner and on false and frivolous grounds, the instant FIR has been lodged. As per learned counsel for the petitioner, for the redressal of his grievance the petitioner has knocked the door of this Court, by invoking its extra-ordinary jurisdiction.



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5. It has been further contended by learned senior counsel for the petitioner that the entire prosecution case is based upon the plea that during the course of enquiry, conducted by the Committee of six officers, it was found that petitioner committed theft of minerals and the *modus operandi* allegedly adopted by the petitioner was:-

- i. that the petitioner used to charge price higher than the price fixed as per revised contract, i.e. Rs.5.5 per cubic feet.
- ii. that as per terms and conditions of the contract, the petitioner had not installed weighing-machine for the measurement of weight of goods carrier, carrying minerals, and thus, extracted more minerals than shown in the books, amounting to theft.

6. As per learned senior counsel for the petitioner first of all the above-mentioned allegations are false, frivolous, motivated and unsubstantiated and *secondly* even if the above-mentioned allegations are accepted to be a gospel truth on the face of it, the above-mentioned allegations amounts to breach of condition of contract, for which mechanism has already been provided in the contract duly executed by the respondents with the petitioner. In view of above it has been contended that any criminal offence on the basis of above-mentioned allegations is not made out.

7. The learned senior counsel for the petitioner has further contended that in fact in view of political rivalry and other reasons, the petitioner is being harassed by the respondents and, merely, on the false and flimsy grounds, the FIR has been lodged. It has been further contended by learned senior counsel for the petitioner that before filing of present FIR, several other cases, too, were



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lodged by the State, and that with regard to contract in question itself *firstly* attempt was made to encash the bank guarantee and when above-mentioned endeavour of respondents failed, due to intervention of Civil Court, the contract of the petitioner was cancelled. According to learned senior counsel for the petitioner the order with regard to cancellation of contract of petitioner was challenged by the petitioner before this Court and this Court stayed the above-said order, i.e. the order with regard to cancellation of contract of petitioner by the respondents.

8. While alleging that the above-mentioned act and conduct of the petitioner makes it apparent that sole motive behind the filing of FIR against the petitioner is to create hindrance in the smooth running of business of the petitioner, and to harass him by entangling in legal processes, it has been claimed by learned senior counsel for the petitioner that the filing of FIR is nothing but an abuse of process of law. According to learned senior counsel for the petitioner instant case is a fit case for invoking the extraordinary jurisdiction vested in this Court, for the protection of legal and other civil rights of the petitioner.

9. In support of his arguments, the learned senior counsel for the petitioner has referred to the principles of law laid down by Hon'ble Supreme Court of India in the case of 'Shakson Belthissor vs. State of Kerala', (2009) 14 SCC 466, 'Nagawwa vs. Veeranna Shivalingappa Konjalgi' [[1976] 3 SCC 736 ; 1976 SCC (Crl) 507] and 'State of Haryana vs. Ch. Bhajan Lal & Ors.', 1991(1) RCR (Criminal) 383.

10. On the basis of above-mentioned arguments, the learned senior counsel for the petitioner has sought for quashing of above-mentioned FIR.

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11. The above-mentioned augments have been controverted by learned State counsel. The learned State counsel has contended that there are very specific and categorical allegations against the petitioner that by adopting illegal and dubious manner, not only the minerals belonging to the State have been stolen by the petitioner, but also he caused huge loss to State exchequer, and therefore, there are serious allegations for the commission of offence punishable under Section 379 IPC and Sections 4(1), 21(1) of Mines and Minerals (Development and Regulation) Act 1957 against the petitioner.

12. It has been further contended by learned State counsel that present petition is a petition for quashing of FIR, wherein determination or adjudication of complicated questions of facts cannot take place. According to learned State counsel once there are very specific allegations on the basis of which offence under Section 379 IPC and Sections 4(1), 21(1) of Mines and Minerals (Development and Regulation) Act 1957 are made out, no scope for quashing of FIR is made out. The learned State counsel has also contended that the gravity of offence committed by the petitioner stands enhanced during the pendency of the present petition, as on legal advise by District Attorney, Section 420 IPC has also been invoked in the present case.

13. The learned State counsel has further contended that in view of terms and conditions of contract executed between petitioner and the respondent No.5, the petitioner was supposed to charge price of sand and gravel at the rate of Rs.9 per cubic feet till 09.11.2021, and thereafter, in the wake of amendment in the relevant clause of the contract duly agreed upon both the parties, the above-mentioned price should have been Rs.5.5 per cubic feet. According to learned State counsel, in violation of above-mentioned clause



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instead of charging price for sand and gravel at the rate of Rs.5.5 per cubic feet, the petitioner continued to charge price at a higher rate, and thus, cheated the State exchequer vis-a-vis consumer of sand and gravel.

14. The learned State counsel has further contended that in addition to above, another illegal act committed by the petitioner was that as per terms and conditions, contained in the agreement dated 14.01.2020, the petitioner was supposed to install a weighing bridge at the mining site. As per learned State counsel the weight of every vehicle, carrying minerals, was supposed to be measured at the site itself and the vehicle driver was supposed to carry the weight measurement slip, but the petitioner did not install any weighing machine at the mining site, resulting into pilferage and theft of mineral. According to learned State counsel, thus the petitioner committed the offence punishable under Section 379 IPC read with Sections 4(1), 21(1) of Mines and Minerals (Development and Regulation) Act 1957.

15. In addition to above, the learned State counsel has also contended that in the present petition, the petitioner has claimed that he is innocent, but falsely implicated in the above-mentioned case. With regard to above-mentioned stand of the petitioner, it has been contended by learned State counsel that *firstly* the above-mentioned stand is far from truth and *secondly* to test the veracity of above-mentioned stand of the petitioner, the only forum prescribed under the law is the trial Court. As per learned State counsel to find out as to whether allegations contained in the FIR are true or false, the only method available under the law is to allow both the parties to lead their respective evidence and then adjudicate upon the above-mentioned controversy. According to learned State counsel at this stage when trial is yet to commence,



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it cannot be determined as to whether the petitioner has committed any offence or not.

16. While claiming that on the basis of allegations contained in the FIR essential ingredients meant for the commission of offence punishable under Sections 379/420 of IPC and Sections 4(1), 21(1) of Mines and Minerals (Development and Regulation) Act 1957 are made out. The learned State counsel has contended that the present petition is in fact utter misuse of process of law, and therefore, the present petition deserves dismissal.

17. In support of his arguments, the learned State counsel has referred to the principles of law laid down by Hon'ble Supreme Court of India in the case of 'Vinod Raghuvanshi vs. Ajay Arora and Others' Criminal Appeal No.1477 of 2013, 'State of Orissa & Ors vs. Ujjal Kumar Burdhan' Criminal Appeal No.546 of 2012, 'State of West Bengal and Ors. vs. Swapan Kumar Guha and Ors.' (1982) 1 SCC 561 and 'State of Haryana vs. Ch. Bhajan Lal & Ors.', 1991(1) RCR (Criminal) 383.

18. The record has been perused carefully.

19. At the very out-set it is relevant to mention here that the present petition is a petition seeking for quashing of FIR. With regard to above, it is relevant to mention here that in the case of 'Vinod Raghuvanshi' (supra), it has been observed by the Hon'ble Supreme Court of India that:

"It is a settled legal proposition that while considering the case for quashing of the criminal proceedings the court should not "kill a still born child", and appropriate prosecution should not be stifled unless there are compelling circumstances to do so. An investigation should not be shut out at the threshold if the allegations have some substance.



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When a prosecution at the initial stage is to be quashed, the test to be applied by the court is whether the uncontroverted allegations as made, prima facie establish the offence. At this stage neither the court can embark upon an inquiry, whether the allegations in the complaint are likely to be established by evidence or nor the court should judge the probability, reliability or genuineness of the allegations made therein. More so, the charge sheet filed or charges framed at the initial stage can be altered/amended or a charge can be added at the subsequent stage, after the evidence is adduced in view of the provisions of Section 216 Criminal Procedure Code. So, the order passed even by the High Court or this Court is subject to the order which would be passed by the trial court at a later stage.”

20. With regard to exercise of inherent jurisdiction vested in this Court by virtue of Section 482 of Cr.P.C. in the case of ‘Ujjal Kumar Burdhan’ (supra), the Hon’ble Supreme Court of India has ruled that:

“It is true that the inherent powers vested in the High Court under section 482 of the Code are very wide. Nevertheless, inherent powers do not confer arbitrary jurisdiction on the High Court to act according to whims or caprice. This extra-ordinary power has to be exercised sparingly with circumspection and as far as possible, for extra-ordinary cases, where allegations in the complaint or the first information report, taken on its face value and accepted in their entirety do not constitute the offence alleged. It needs little emphasis that unless a case of gross abuse of power is made out against those incharge of investigation, the High Court should be loath to interfere at the early/premature stage of investigation.”

21. In the case of ‘Swapan Kumar Guha and Ors’ (supra), it has been observed by the Hon’ble Supreme Court of India that:

“the Court will not normally interfere with an investigation and will permit the inquiry into the alleged offence, to be completed,



this Court highlighted the necessity of a proper investigation observing thus:

An Investigation is carried on for the purpose of gathering necessary materials for establishing and proving an offence which is disclosed. When an offence is disclosed, a proper investigation in the interests of justice becomes necessary to collect materials for establishing the offence, and for bringing the offender to book. In the absence of a proper investigation in a case where an offence is disclosed, the offender may succeed in escaping from the consequences and the offender may go unpunished to the detriment of the cause of justice and the society at large, Justice requires that a person who commits an offence has to be brought to book and must be punished for the same. If the court interferes with the proper investigation in a case where an offence has been disclosed, the offence will go unpunished to the serious detriment of the welfare of the society and the cause of the justice suffers.”

22. It has been further observed in the above- mentioned case *that:*

“it is on the basis of this principle that the court normally does not interfere with the investigation of a case where an offence has been disclosed.... Whether an offence has been disclosed or not must necessarily depend on the facts and circumstances of each particular case.... If on a consideration of the relevant materials, the court is satisfied



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that an offence is disclosed, the court will normally not interfere with the investigation into the offence and will generally allow the investigation into the offence to be completed for collecting materials for proving the offence”.

23. On the other hand, in the case of ‘Shakson Belthissor (supra), the Hon’ble Supreme Court of India has observed that if the contents of FIR does not constitute any offence, criminal proceedings can be quashed by the High Court. According to Hon’ble Supreme Court of India the jurisdiction under Section 482 Cr.P.C. is exercised by the Court to prevent abuse of the process of law, and that such jurisdiction can be exercised only when the complaint/charge-sheet does not disclose any offence, or when the complaint is found to be frivolous, vexatious and oppressive.

24. In the light of above-mentioned principles of law, if the facts and circumstances of the present case are analyzed, it transpires that being the successful bidder the first contract between the petitioner and the representative of respondent No.1 was executed on 14.01.2020. Clause 6 of the above-mentioned contract provided that:-

(6) Cap on sale price-

- A. *Both sand and gravel shall not be sold by the concessionaire at the mining site at more than Rs.9 per cubic feet which includes cost of loading on the vehicle.*
- B. *Maximum rates linked to distance that can be charged per cubic feet for transportation of sand and gravel will be notified.*
- C. *Maximum rate of Sand and Gravel chargeable from the end customer will in no case exceed the sum of above said two rates.*



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- D. The concessionaire will dispatch sand and gravel through only those transporters who agree to transport it at so notified or less rates.*
- E. Violation of above points will result in cancellation of the agreement and forfeiture of the security amount.*

25. Clause 46 of the above-mentioned contract was as under:-

To provide weighing machine:- The concessionaire shall provide and at all times keep at or close to the pit head of each of the pit heads at which the said minerals shall be brought to bank a properly constructed and efficient weighing machine and shall weigh or caused to be weighed thereon all the said minor minerals, from time to time, brought to bank, sold, exported and converted products and shall at the close of each day cause the total weights ascertained by such means of the said minerals, ores products raised, sold, exported and converted during the previous twenty-four hours to be entered in the aforesaid books of accounts. The concessionaire shall permit the State Government at all times during the said term to employ any person or persons to be present at the weighing of the said minor minerals as aforesaid and to keep accounts thereof and to check the accounts kept by the concessionaire. The concessionaire shall intimate the route of vehicles from quarry to weighbridge to the District Mining Officer/ Assistant Mining Officer concerned before commencement of mining operations.

26. Clause 31 provided that:

Penalty for default: In the event of termination of the concession for concessionaire default, the security deposit shall be forfeited and performance guarantee shall be liable to be encashed by the Government.



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27. If the above-mentioned terms and conditions of the agreement between the parties are considered in conjunction, with the allegations contained in the FIR, it transpires that:

- i. One of the allegation against the petitioner is with regard to violation of Clause 46 of the contract by the petitioner. As per FIR the petitioner did not install weighing machine at or close to pit-head.

Qua above-mentioned allegation, it is relevant to mention here that the contract between the petitioner and the respondents was arrived at in January, 2020 and the terms of licence, awarded to the petitioner, for mining from 01.12.2019 till 30.11.2022, were reduced into writing including the above-mentioned condition. The FIR was lodged on 10.10.2022.

If the mining operations were being conducted by the petitioner w.e.f. 01.12.2019 or from the date of contract, i.e. 14.01.2020 then definitely during the intervening period till the receipt of complaint on 16.05.2022 several inspections must have been conducted by the officers of respondents. But at any point of time no deficiency was found in the discharge of contractual obligation by the petitioner, particularly with regard to Clause 46 of the Contract.

Thus, it is far from believable that for more than two and half years without installation of weighing machine, minerals were allowed to be mined by the respondents.



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- ii. Another allegation against the petitioner was that in violation of terms contained in Clause 6 of the Contract he used to sell mines, i.e. sand and gravel, at a rate higher than Rs.5.5 per cubic feet.

With regard to above, it is relevant to mention here that if that was a situation the compliant must have come from the persons, who purchased above-said minerals from the petitioner, but there is nothing on record to show that any complaint was received from any such person.

28. Be that as it may. For the sake of arguments even it assumed that the above-mentioned findings recorded by the enquiry committee were based on true facts, even then it has to be looked into as to whether on the basis of above-mentioned allegations FIR for the commission of offence punishable under Sections 379 of IPC and Sections 4(1), 21(1) of Mines and Minerals (Development and Regulation) Act 1957 could have been lodged or not.

29. With regard to above, it is pertinent to mention here that to deal with a situation with regard to breach of condition of various terms and conditions, detailed in the contract, the mechanism was provided by the contract itself. Clause 6(e) of the contract provided that:-

Violation of above points will result in cancellation of the agreement and forfeiture of the security amount.

30. In addition to above, Clause 48 of the contract prescribed that:

“all disputes under this contract shall be resolved by invoking the Arbitration clause. The provisions of the Arbitration and Reconciliation Act, 1996 or any other



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statutory law there under or modification thereof and for the time being in force shall apply to the arbitration proceedings. The independent claims of the party other than one seeking arbitration as also the counter claims of any party shall be entertained by the Arbitrator, also”.

31. It is also relevant to mention here that the contract dated 14.01.2020 provided ample power to the respondent No.1 to deal with any kind of violation of terms and conditions of concession of the contract executed in favour of petitioner. In addition to above, clause 30 of the contract gave liberty to the Government to prematurely terminate the concession in the following circumstances:-

- (a) If the annual concession value or any other amounts due to the Government are not paid:*
- (b) if any of the terms and conditions of the concession agreement or conditions of grant or permission to undertake mining by any other statutory authority/Competent authority is violated;*
- (c) if any of the provisions of these rules and other laws both Central and State as are applicable to mines and minerals, are not complied with.*

Provided that in case of default in payment of Government dues such as concession money/royalty, dead rent or any other dues payable under these presents, the concession may be terminated by the Director or any officer authorised by him without affording hearing to the concessionaire after serving upon a notice to make good the payment within thirty days.

Provided further that the authorised officer may also at any time after issuance of the notice for default on account of non payment of dues, enter upon the said



premises and detain all or any of the mineral or movable property therein and may carry away, detain or order the sale of the property so detained, or so much of it as will suffice for the satisfaction of the concession money or rent or royalty or both dues and all costs and expenses occasioned by the non-payment thereof.

32. Here it shall not be out of place to mention that Section 4(1) of Mines and Minerals (Development and Regulation) Act, 1957 is relevant, which is reproduced as under:-

Prospecting or mining operations to be under licence or lease.-

(1) [No person shall undertake any reconnaissance, prospecting or mining operations in any area, except under and in accordance with the terms and conditions of a reconnaissance permit or of a prospecting licence [or of a exploration licence] or, as the case may be, of a mining lease, granted under this Act and the rules made thereunder]:

Provided that nothing in this sub-section shall affect any prospecting or mining operations undertaken in any area in accordance with terms and conditions of a prospecting licence [or of a exploration licence] or mining lease granted before the commencement of this Act which is in force at such commencement:

33. The above-mentioned bare provisions contained in Section 4 of the Act makes it abundantly clear that offence under Section 4(1) of Mines and Minerals (Development and Regulation) Act, 1957 is made out against only those persons, who indulge in mining operations without any mining lease. The situation in the case in hand is altogether different. There is no dispute in the case in hand that mining lease was not given to the petitioner. In the present case if in violation of terms of contract, the petitioner had failed to install a weighing machine at the pit-head, the redressal mechanism available to the



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respondents was either to cancel the mining lease awarded to the petitioner, or to approach the Civil Court for implementation of above-mentioned clause of the contract.

34. Similarly in case the petitioner was charging higher rates for the sale of sand and gravel, according to Clause 6(e) the lease of the petitioner could have been cancelled.

35. In the instant case it shall not be out of place to mention here that as per contention of learned counsel for the petitioner, the above-mentioned clauses were illegally invoked by the respondents, but due to intervention of the Court when the respondents failed in their above-mentioned illegal act, they resorted to filing present FIR, for which neither any ground is made out, nor the essential ingredients meant for the commission of offence are made out.

36. In the present case, it is also relevant to mention here that there are allegations against the petitioner for the commission of offence punishable under Sections 379 and 420 of IPC. However, in my opinion once licence for mining of minerals was accorded to the petitioner the question of theft of mineral does not arise at all and *secondly* in the absence of any description of loss caused to anybody, the allegations of cheating are not made out.

37. In view of above-mentioned facts and circumstances of the case in my opinion the principles of law laid down by Hon'ble Supreme Court of India in the case of Ch. Bhajan Lal (*supra*) are applicable, wherein it has been observed that:-

- i. Where the allegations made in the First Information Report or the complaint, even if they are taken at their face value*



and accepted in their entirety do not prima facie constitute any offence or make out a case against the accused.

- ii. Where the allegations in the First Information Report and other materials, if any, accompanying the F.I.R. do not disclose a cognizable offence, justifying an investigation by police officers under Section 156 (1) of the Code except under an order of a Magistrate within the purview of Section 155(2) of the Code.*
- iii. Where the uncontroverted allegations made in the FIR or complaint and the evidence collected in support of the same do not disclose the commission of any offence and make out a case against the accused.*
- iv. Where, the allegations in the F.I.R. do not constitute a cognizable offence but constitute only a non-cognizable offence, no investigation is permitted by a police officer without an order of a Magistrate as contemplated under Section 155(2) of the Code.*
- v. Where the allegations made in the F.I.R. or complaint are so absurd and inherently improbable on the basis of which no prudent person can ever reach a just conclusion that there is sufficient ground for proceeding against the accused.*
- vi. Where there is an express legal bar engrafted in any of the provisions of the Code or the concerned Act (under which a criminal proceeding is instituted) to the institution and continuance proceedings and/or where there is a specific provision in the Code or the concerned Act, providing efficacious redress for the grievance of the aggrieved party.*
- vii. Where a criminal proceeding is manifestly attended with mala fide and/or where the proceeding is maliciously instituted with an ulterior motive for wreaking vengeance on the accused and with a view to spite him due to private and personal grudge.*



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38. Taking into consideration the cumulative effect of above-mentioned discussions, in my considered opinion in the present case on the basis of allegations contained in the FIR any offence under Sections 379 IPC and Sections 4(1), 21(1) of Mines and Minerals (Development and Regulation) Act 1957 is not made out and the filing of FIR against the petitioner is apparently an abuse of power and misuse of process of law, because the remedial action for the alleged violation has been prescribed in the contract itself. Thus, in my considered opinion instant case is a case wherein extraordinary jurisdiction vested in this Court should be exercised to protect the valuable rights of the petitioner. Hence, it is hereby observed that the present petition has got merit and deserves to be accepted.

39. In view of above-mentioned observations, the present petition is hereby allowed and the FIR No.100 dated 10.10.2022, under Sections 379 IPC and Sections 4(1), 21(1) of Mines and Minerals (Development and Regulation) Act 1957, Police Station Kiratpur Sahib, District Rupnagar is hereby quashed.

40. The present petition stands **allowed** accordingly.

(SURYA PARTAP SINGH)
JUDGE

31.08.2026

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Whether speaking/reasoned Yes/No

Whether reportable Yes/No