IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 27-03-2026

CORAM

THE HONOURABLE MR JUSTICE M. NIRMAL KUMAR

CRL OP No. 894 of 2026
and
CRL.M.P.No.488 of 2026

1.Nitin Arora
S/o.Anil Kumar Arora,
Director, M/s.MEO International Logistics
India Pvt. Ltd.,
Flot No.28A, SFS Flats, Sector-7,
Pocket-1, Dwarka, New Delhi – 110075.

2.Simran Arora @ Simran Bhatia
W/o.Nitin Arora,
Director, M/s.MEO International Logistics
India Pvt. Ltd.,
Flot No.28A, SFS Flats, Sector-7,
Pocket-1, Dwarka, New Delhi – 110075.

Petitioners/A1 & A2

Vs

1.State of Tamil Nadu,
Through Inspector of Police,
Central Crime Branch,
Tiruppur City,
Tamil Nadu – 641 601.
(Crime No.14 of 2024)

2.Saravana Kumar
S/o.K.R.Annamalai,
Executive Director,
M/s.Kaiser Knitting Company,
23, Erukkadu Extn, 1st Street,
Karuvam Palayam, Tiruppur – 641 604.

Respondents

PRAYER: The Criminal Original Petition filed under Section 528 of BNSS, 2023, praying to call for the records in F.I.R. in Crime No.14 of 2024 on the file of the respondent No.1/Complainant and quash the aforementioned F.I.R. in Crime No.14 of 2024 for alleged offences under Sections 407 and 420 I.P.C.

For Petitioners :	Mr.Gokul for M/s.R & P Partners
For Respondent-1:	Mr.Leonard Arul Joseph Selvam Additional Public Prosecutor Assisted by Ms.Harshana, T.
For Respondent-2 :	Mr.P.J.Rishikesh

ORDER

The Criminal Original Petition has been filed seeking to quash the First Information Report in Crime No.14 of 2024, on the file of the first respondent police as against the petitioners, on the basis of the compromise arrived at between the petitioners and the *de facto* complainant/second respondent.

2.(i) The gist of the prosecution case is that the second respondent/de facto complainant, Executive Director of Kaiser Knitting Company lodged a complaint on 17.09.2024 against the petitioners. The complaint is that the de facto complainant's company is engaged in manufacturing and exporting of knitted garments to USA and Europe. During, June 2023, the de facto complainant approached a buying agency M/s.Nova Fashion, Velampalayam, Tiruppur owned by Mr.Karthik for export orders, who gave an order of 57600 set pieces of kids garments from M/s.Pink N Blue INC of New York, USA worth about USD 164,160 (Approximately Rs.1.36 Crores). The agreed payment term for the order is through bank issued Letter of Credit (LC) at Sight and for shipment of goods. The de facto complainant came to know that M/s.Nova Fashion has nominated a forwarder in India to ship the goods on Free On Board (FOB) terms by M/s.MEO International Logistics run by the petitioners. All communications regarding the order was done through Mr.Karthik of M/s.Nova Fashion directly with the buyer M/s.Pink N Blue INC. The finished goods from de facto complainant company shipped to USA through M/s.MEO International Logistics, who issued original Bill of Lading (BL). The de facto complainant's bank sent the same to the buyer's bank opened LC. The buyer has to make the payment to his bank for the invoice of shipped goods and collect the original BL from his bank and hand over the BL to his forwarder M/s.Innovative International to release the goods.

(ii) The de facto complainant's bank, namely, State Bank of India, Overseas Branch, Tiruppur approached buyer's bank Israel Discount Bank of New York for release of LC amount. Since Pink N Blue INC did not make the payment and failed to collect the Bill of Lading documents, buyers bank returned all the documents to the de facto complainant's bank without payments for LCs. When the de facto complainant tracked the status of the goods, it was found that goods were released from the port without original documents and without making any payments. When the de facto complainant contacted the shipper M/s.Mediterranean Shipping Company (MSC Liner), it was informed that M/s.MEO International has requested the MSC Liner to issue Seaway Bill of Lading for the goods shipped and removed the consignment without making any payment. A complaint was raised with the Federal Maritime Commission (FMC) and came to know that a Seaway Bill of Lading issued instead of Master Bill of Lading favouring the buyer Pink N Blue INC without making the payment and without collecting the original documents from his bank. On coming to know that M/s.MEO International Logistics are very much aware that there was no payment to the goods as per the terms in LC at Sight, they arranged and issued 3 original Bill of Lading with fraudulent intention to gain personal benefits by sending Seaway Bill of Lading from ship liner and hence lodged a complaint for misappropriation.

3.The contention of the learned counsel for petitioners is that the petitioners' company M/s.MEO International Logistics India Pvt. Ltd. is a mere facilitator/forwarder from India for shipment of goods having no direct and indirect involvement in the alleged purported acts of crime. The petitioners being the Directors of M/s.MEO International Logistics India Pvt. Ltd. have been malafidely targeted to settle the personal enmity arising out of private contractual/business relationship between the exporter and importer. The implication of the second petitioner, the wife of first petitioner would clearly indicate the pressure mounting tactics for recovery of claim made by the de facto complainant. The second petitioner is no way involved in day-to-day affairs of the company and not participated in any of the business. Just as a pressure mounting tactics, she has been falsely implicated in this case. Further, in the absence of arraying the company as accused, the Directors cannot be arrayed as accused without any specific overt act against them. It is only a civil dispute for non payment for exported goods by buyer M/s.Pink N Blue of New York. The petitioners' company was engaged by an US forwarder M/s.Innovative International and petitioners are not directly responsible. Further in the absence of US forwarder, no case is made out against the petitioners. The second respondent/de facto complainant already initiated multiple civil cases regarding the civil claim not only in India but also in USA for the same commercial dispute. It is to be seen that petitioners are not made as a party in the civil cases initiated at New York. This case was filed to coerce the petitioners to succumb to the wrongful demand of second respondent and the complaint is motivated, pressurising the petitioners to yield to the illegal demand made by the de facto complainant. Be that as it may. Now the petitioners and the de facto complainant entered into a joint compromise and the petitioners agreed to pay a total sum of Rs.50 lakhs towards the full and final settlement to all claims arising out of the above transaction with the second respondent. As per the terms of settlement deed, a sum of Rs.25 lakhs already paid by way of Demand Draft No.864407 dated 16.02.2026 drawn on Kotak Mahindra Bank, Dwarka, New Delhi and the balance amount of Rs.25 lakhs would be handed over before this Court. In pursuance to the same, today the petitioners handed over a Demand Draft bearing No.864430 dated 27.02.2026 for a sum of Rs.25 lakhs drawn on Kotak Mahindra Bank, Dwarka, New Delhi.

4.The learned Additional Public Prosecutor submitted that the second respondent/de facto complainant lodged a complaint to the Commissioner of Police, Tiruppur and a case in Crime No.14 of 2024 registered on 17.09.2024 for offence under Sections 407 and 420 of I.P.C. The petitioners as Freight forwarders in the name of M/s.MEO International Logistics India Pvt. Ltd., shipped the goods/garments to the value of Rs.1.36 Crores. By way of Letter of Credit at Sight based on the Bill of Lading, Seaway Bill to be submitted to the corresponding bank at New York and thereafter goods to be released to the buyer M/s.Pink N Blue. Contrary to the same, the petitioners requested MSC Liner to issue Seaway Bill of Lading for the goods shipped and using the Seaway Bill, the goods were collected and the Letter of Credit not honoured and returned back. Hence, the petitioners committed misappropriation and cheating. In this case, now investigation is in progress.

5.The de facto complainant appeared in person. He admitted that though the claim with the petitioner's logistics company in India was for Rs.1.36 Crores, it was agreed to settle the issue for Rs.50 lakhs, despite sustaining loss, for the reason that blocking of such huge amount and non payment of LC to the bank has caused the de facto complainant to suffer huge loss and his entire financial cycle chocked and blocked. Further, they were unable to do any business and bank is also likely to initiate recovery proceedings and also to blacklist them. Hence very survival of them becomes questionable. Hence agreed for settlement.

6.Considering the submissions made and on perusal of the materials, it is seen that petitioners and the de facto complainant had a commercial transaction. Instead of submitting the Bill of Lading, which has to be acquired at sight, goods which were exported by the de facto complainant handled by the petitioners as logistics personnel. Contrary to the agreement, they obtained shipping bill from Liner despite knowing that the goods were already covered by LC and the goods were taken by the buyer in America and amount not paid. Now understanding has been arrived between both the petitioners and the de facto complainant and de facto complainant appeared before this Court and filed a compromise affidavit and the settlement deed/Memorandum of Compromise to that effect. The terms of Settlement Deed dated 19.02.2026 reads as follows:

SETTLEMENT DEED / MEMORANDUM OF COMPROMISE

This Settlement Deed is made and executed on this the 19th day of February 2026

BETWEEN

Party No.1 (Complainant / De-facto Complainant / First Party): **S A Saravana Kumar**, [AADHAAR.:5659 9412 9659] [PAN: BFXPS7229L] an Indian citizen, aged about 45 years, S/o. Mr. K.R. Annamalai, in his personal capacity and also on behalf of **M/s Kaiser Knitting Company** [Reg. No.:33AADFK4083 1ZV] [PAN:AADFK4083A] [GSTIN: 33AADFK4083A1ZV] [duly authorized vide Authorization Letter dated 1.9.2024], having office at No. 23, Erukkadu Extn, 1st Street, Karuvampalayam, Tirupur – 641 604.

(Hereinafter referred to as the **"First Party"** and shall include his legal heirs, assigns, representatives and successors in interest)

AND

Party No. 2 (Accused / Respondent / Second Party):
1. Nitin Arora, [AADHAAR: 5378 8318 2639]
2. Simran Arora alias Simran Bhatia, [AADHAAR: 3883 1892 3372]
Directors of **Meo International Logistics India Private Limited** [CIN - U63000DL2013PTC256485], having office at Flat No. 28A, SFS Flats, Sector - 7, Pocket- 1, Dwarka, New Delhi - 11O O75.

(Hereinafter referred to as the **"Second Party"** and shall include their legal heirs, assigns, representatives and successors in interest)

The First Party and Second Party are hereinafter collectively referred to as **"the Parties"**.

WHEREAS

I. A dispute arose between the Parties from an international commercial transaction between the First Party, M/s Kaiser Knitting Company and M/s. Pink N Blue Inc. (USA). In this respect, the Second Party was involved as a freight forwarder for the shipment of products from India to New York. Pursuant thereto the First Party had initiated a criminal case as against the Second Party and **Crime No.14 of 2024**, on the file of The Inspector of

For Kaiser Knitting Company

Partner

1

Police CITY CRIME BRANCH Police Station, Tirupur was registered on 17.09.2024 and the same is presently pending.

2. The Second Party has filed an application for anticipatory bail in CRL. OP No.35532 of 2025 and also initiated quash proceedings in CRL.O.P No. 894 of 2026 in Crime No.14 of 2024 before the Hon'ble Madras High Court and the same are pending for adjudication as on this date.
3. Whilst the matters are pending before the Hon'ble Madras High Court, the parties intended to mediate and discuss the issues and have arrived at an amicable settlement.
4. The Parties are desirous to execute this Agreement to record the terms and conditions of the settlement.

NOW THIS DEED WITNESSETH AS FOLLOWS:

TERMS OF SETTLEMENT

1. **Settlement Amount:**

Pursuant to the mutual agreement reached between the Parties hereto, the Second Party has agreed to pay a total sum of **₹50,00,000/- (Rupees Fifty Lakhs only)** to the First Party as full and final settlement against the total claim of the First Party in Crime No.14 of 2024.

2. **Mode of Payment:**

This sum of ₹50,00,000/- (Rupees Fifty Lakhs Only) shall be paid in the following manner:

(i) A sum of ₹25,00,000/- (Rupees Twenty-Five Lakhs only) has been paid forthwith by the Second Party to the First Party by way of Demand Draft No.864407 dated 16/02/2026 drawn on Kotak Mahindra Bank, Dwarka New Delhi in favour M/s. Kaiser Knitting Company and the receipt thereof is hereby confirmed by the First Party – Tranche -1;

and

(ii) the balance sum of ₹25,00,000/- (Rupees Twenty-Five Lakhs only) shall be paid on the date of filing of the Compromise Memo before the Hon'ble Court in CRL.O.P.No.894 of 2026 in Crime No.14 of 2024 - Tranche -2.

For Kaiser Knitting Company

Part Partner

2

3. **Acknowledgment:**

Upon receipt of the above settlement amount, the First Party hereby acknowledges full satisfaction of all monetary and other claims as against the Second Party with respect to the transaction.

4. **No Further Claim:**

The First Party categorically declares that they shall not have any further claims, demands, grievances, or cause of action of any nature whatsoever, civil or criminal, against the Second Party in respect of the subject matter of the present dispute. Further, each party understands and agrees that this Deed does not constitute an admission of any liability by the Second Party but is only an amicable consensus on resolution of disputes and release of all claims arising under the transaction. BETWEEN THE FIRST PARTY AND SECOND PARTY HEREIN

5. **Consent for Bail / Quash:**

The First Party has no objection to the grant of anticipatory bail and quashing of the criminal proceedings in CRL.O.P No. 894 of 2026 in Crime No.14 of 2024, and undertakes to cooperate for disposal of the same by acceding to the Second Party's request for quash.

6. **Withdrawal / Non-prosecution:**

(1) The payment of the entire Settlement Amount will discharge the Second Party in full and final, of all the claims of the First Party. Accordingly, all the claims, disputes, allegations raised by the First Party against the Second Party in FIR No.14 of 2024 and other complaints filed before the Police shall stand extinguished and withdrawn by the First Party.

(2) The First Party undertakes to cooperate with the listing of quash proceedings in CRL.O.P.No.894 of 2026 in Crime No.14 of 2024. In the event quash is not granted by the Hon'ble High Court, the First Party agrees to refund Rs.25,00,000/- within 24 hours of the demand being made by the Second Party.

(3) The First Party agrees not to pursue, prosecute, or continue any complaint, case, or proceedings as against the Second Party in relation to the present dispute hereafter.

For Kaiser Knitting Company

3

7 **Binding Nature:**

This settlement shall be final, binding, and conclusive upon the Parties and their respective heirs, legal representatives, successors, and assigns. The Parties further agree that they have taken independent legal advice prior to entering into this Deed and each of the Parties have entered into this Deed on their own free will without any coercion.

8 **Breach Clause:**

In the event of breach of any term of this settlement, the aggrieved party shall be entitled to seek appropriate legal remedies in accordance with law including the revival of the criminal cases.

9 **Jurisdiction:**

This Deed shall be governed by the laws of India and the Parties mutually agree that the courts at Chennai city shall have exclusive jurisdiction.

10 **Amendment:**

No modification and/or variation of any terms of this Deed shall be effective unless the same is agreed by the Parties mutually, and reduced in writing and duly signed by all the Parties hereto.

DECLARATION

The Parties hereby declare that this Settlement Deed is executed voluntarily, with full understanding of its contents, and the same may be filed before the Hon'ble Court as part of the anticipatory bail and quash proceedings.

This Deed is being executed in 4 originals, each party shall retain one original and the 3rd and 4th originals shall be filed before the Hon'ble Madras High Court.

IN WITNESS WHEREOF,

The Parties have signed this Settlement Deed on the day, month, and year first mentioned above.

For Kaiser Knitting Company

Partner

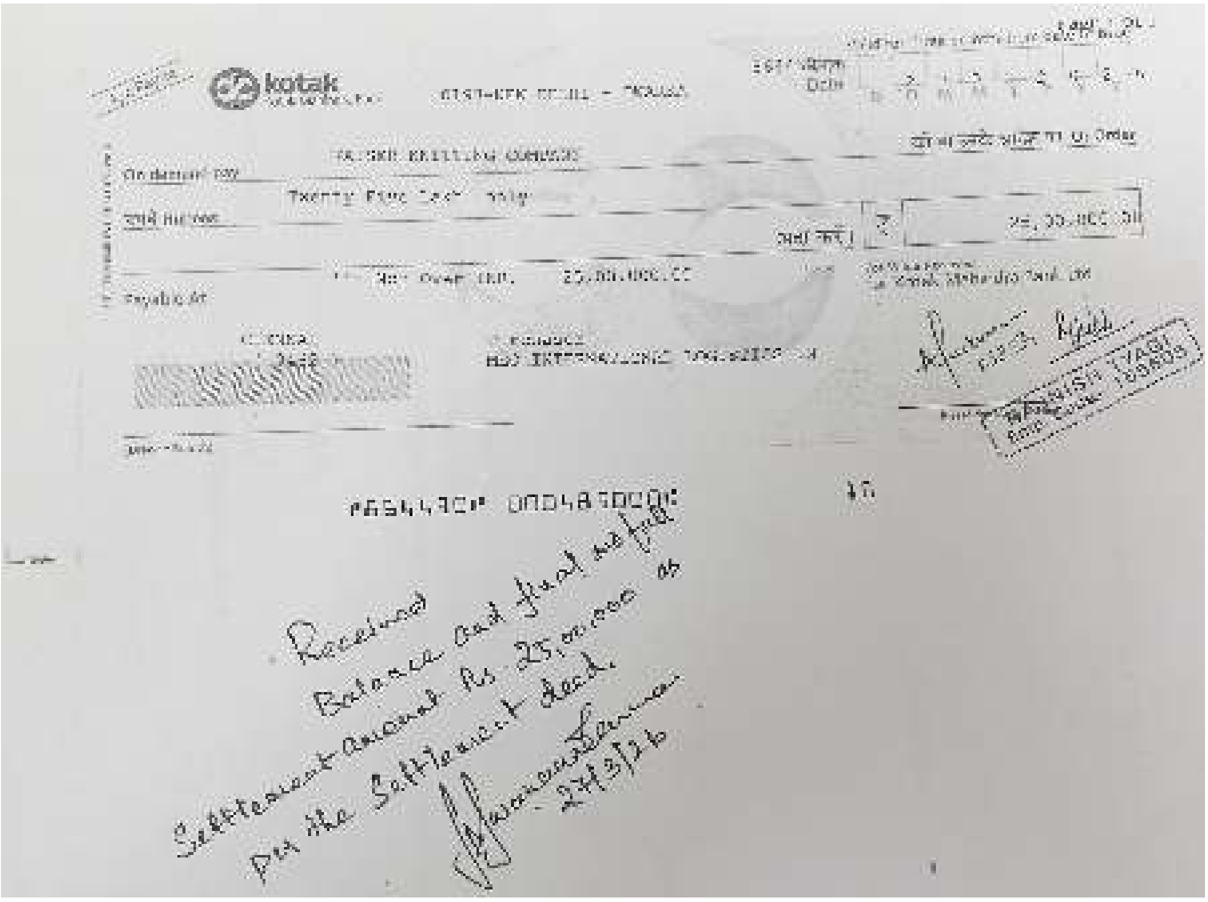
First Party (Complainant) (with seal) **Second Party (Accused)**

Witnesses:

1. K. Nagarajan K. NAGARAJAN 1/21, Koyathe millath St, palavakkam, Chennai-
2. V. Krishnamoorthy ow: 319, Thambu chetty St, 2nd floor, Ch-1.

4

7.As per the settlement deed, it was resolved to settle the issue for Rs.50 lakhs, out of which, Rs.25 lakhs paid by the petitioners to the de facto complainant by way of Demand Draft No.864407 dated 16.02.2026 drawn on Kotak Mahindra Bank, New Delhi favouring de facto complainant/second respondent and today the petitioners handed over a Demand Draft bearing No.864430 dated 27.02.2026 for a sum of Rs.25 lakhs, which is extracted hereunder:



8. As the parties have now amicably settled the issue among themselves, they seek to quash the First Information Report as against the petitioners.

9. In view of the above understanding, the First Information Report in Crime No.14 of 2024, pending on the file of the first respondent police, is quashed as against the petitioners and accordingly, the Criminal Original Petition is allowed. The petitioners are discharged of all the charges.

10. The affidavit and the Settlement deed filed by the petitioners and the second respondent for compromising the offences shall form part of the records. Consequently, the connected Criminal Miscellaneous Petition is closed.

27-03-2026

Index : Yes/No
Speaking order/Non-speaking order
Neutral citation : Yes/No
rsi

M. NIRMAL KUMAR, J.

rsi

To

1.The Inspector of Police,
Central Crime Branch,
Tiruppur City,
Tamil Nadu – 641 601.

2.The Public Prosecutor
High Court, Madras.

CRL OP No. 894 of 2026
and
CRL.M.P.No.488 of 2026

27.03.2026