* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Reserved on: 30.07.2026
Date of Decision: 11.08.2026
Uploaded on : 11.08.2026

\+ **CRL.M.C. 3944/2026 & CRL.M.A. 15972/2026**

VISHAL EXPORTS OVERSEAS LTD & ANR. .....Petitioners

Through: Mr. Suryakant Singla, Sr. Adv. with Mr. Ashok Chhaparia and Mr. S. Mukerjee, Advs.

versus

CENTRAL BUREAU OF INVESTIGATION .....Respondent

Through: Mr. Atul Guleria, SPP CBI with Mr. Aryan Rakesh, Adv.

CORAM:
HON'BLE MS. JUSTICE MADHU JAIN

JUDGMENT

MADHU JAIN, J.

1. The present petition has been filed under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (hereinafter referred to as the 'BNSS') seeking setting aside of the order dated 23.04.2026 passed by the learned Principal District & Sessions Judge-cum-Special Judge (PC Act), CBI, Rouse Avenue District Courts, New Delhi in ***Criminal Revision No.35/2024***, whereby the revision petition preferred by the petitioners against the order dated 29.04.2024 passed by the learned ACMM-02, Rouse Avenue District Courts, New Delhi, directing framing of charges against them under Sections 471/468 IPC, came to be dismissed. The petitioners also seek setting aside of the order dated 29.04.2024 and the charges framed pursuant thereto on 03.08.2024.

Brief Facts

2. Briefly stated, the case arises out of the Government policy permitting export of wheat/rice procured from the Food Corporation of India ('FCI') through nominated agencies/Public Sector Undertakings. Pursuant thereto, the Punjab State Warehousing Corporation ('PSWC') invited interested export houses to act as its associates for export of wheat/rice. Petitioner No.1, Vishal Exports Overseas Ltd., being a Star Trading House, was selected as an associate of PSWC and, on 12.03.2003, entered into an agreement with PSWC at Chandigarh for export of 5500 MT of rice. An amount of ₹3,82,25,500/- was deposited with FCI and three release orders were issued in favour of PSWC for lifting 2000 MT from FCI Depot, Ferozepur, 1500 MT from FCI Depot, Abohar and 2000 MT from FCI Depot, Jalalabad, all situated in Punjab.

3. During the period from 30.04.2004 to 24.06.2004, Petitioner No.1 lifted 5390 MT of rice, comprising consignments of 3000 MT, 1223 MT and 1167 MT. In support of the export, documents including GR Forms, invoices, packing lists, bills of exchange, shipping bills and bank realisation certificates were submitted. The Customs Authorities at Kandla, Gujarat verified the export documents relating to 3000 MT and 1223 MT of rice. However, in respect of the remaining 1167 MT, allegations arose that the bank realisation certificates and other documents furnished to show export of the said quantity were forged and that the rice had, in fact, been diverted and sold in the domestic market instead of being exported.

4. In 2005, the CBI initiated Preliminary Enquiry No.01(A)/2005/ACU-VII on the basis of source information regarding alleged favour being extended by certain FCI officials to export houses in the allocation of

wheat/rice for export. On 11.04.2006, prior to registration of the FIR, Petitioner No.1 deposited ₹50,00,000/- with PSWC, which, according to the petitioners, included the differential amount of ₹49,32,295/- between the export price and the open market sale price in respect of the aforesaid 1167 MT of rice.

5. Thereafter, on 20.09.2006, the CBI registered RC No.04(A)/2006/ACU-VII under Sections 120B/420/467/468/471 IPC read with Sections 13(2) and 13(1)(d) of the Prevention of Corruption Act against Shri Subhash N. Mehta, President of Petitioner No.1 company, Petitioner No.2, who was its Managing Director, and certain unknown officials of FCI at New Delhi, Chandigarh and Ferozepur. Petitioner No.1 company was not named as an accused in the FIR.

6. Upon completion of investigation, a charge-sheet was filed on 31.12.2007, wherein Petitioner No.2 was arrayed as an accused, while Shri Subhash N. Mehta was placed in Column No.12. The allegation against Petitioner No.2 was that he had given directions for disposal of 1167 MT of rice in the domestic market instead of exporting the same and was the beneficiary of such diversion. On 04.01.2008, when the matter was placed before the learned Special Judge, CBI, it was submitted on behalf of the CBI that the charge-sheet had been filed before the Special Court inadvertently as no offence under the Prevention of Corruption Act had ultimately been invoked. The matter was accordingly remitted to the Court of the learned ACMM.

7. On 08.08.2008, the learned ACMM took cognizance of the offences under Sections 420/511/471 IPC and summoned Petitioner No.2 as well as Shri Subhash N. Mehta. Subsequently, in 2009, the CBI filed a supplementary

charge-sheet whereby Petitioner No.1 company was also arrayed as an accused. Shri Subhash N. Mehta thereafter challenged the summoning order before this Court in CRL.M.C. 2821/2012, which was allowed on 05.04.2013 and the summons issued against him were quashed.

8. Arguments on charge were thereafter heard by the learned ACMM on various dates. The petitioners also filed an application under Section 239 Cr.P.C. seeking discharge. Vide order dated 29.04.2024, the learned ACMM dismissed the application seeking discharge and directed framing of charges against the petitioners.

9. Aggrieved by the order dated 29.04.2024, the petitioners preferred Criminal Revision No.35/2024 before the learned Principal District & Sessions Judge-cum-Special Judge (PC Act), CBI, Rouse Avenue Courts. The revision petition was dismissed vide order dated 28.01.2025**.** The petitioners thereafter approached this Court by way of ***CRL.M.C. 2162/2025***. *Vide* order dated 11.02.2026, this Court directed the learned Revisional Court to take up the revision afresh and, after hearing both sides, dispose of the same while also answering the aspects relating to territorial jurisdiction**.**

10. Pursuant thereto, the parties appeared before the learned Revisional Court. During the hearing on 23.03.2026, as recorded in the pleadings, learned Special Public Prosecutor for the CBI stated that no part of the alleged offence had taken place within the jurisdiction of the Delhi Courts and proposed that, if the petitioners consented, the trial could proceed from the stage at which it was pending before the competent CBI Court at Chandigarh/Mohali. The petitioners did not consent to the said course and contended that a Sessions Court did not have the power to transfer a criminal case to a Court subordinate to another High Court.

11. *Vide* the impugned order dated 23.04.2026, the learned Revisional Court dismissed Criminal Revision and declined to interfere with the order dated 29.04.2024 directing framing of charges. The petitioners, being aggrieved by the said order as well as the continuation of proceedings before the learned Trial Court, have preferred the present petition.

Submissions on behalf of the petitioners

12. Learned Senior Counsel for the petitioners submits that the learned Revisional Court failed to appreciate that the Delhi Courts inherently lacked territorial jurisdiction to try the alleged offences. He submits that the objection regarding territorial jurisdiction was raised by the petitioners at the earliest available opportunity during arguments on charge on 28.05.2022, 17.12.2022, 28.02.2024, 10.04.2024, 24.04.2024 and 29.04.2024, and was also specifically raised in the application under Section 239 Cr.P.C. filed on 29.04.2024. Therefore, the finding that the objection was raised belatedly is contrary to the record.

13. He submits that despite the specific directions issued by this Court *vide* order dated 11.02.2026 to decide the issue of territorial jurisdiction while hearing the revision afresh, the learned Revisional Court failed to return any finding thereon. He further submits that the learned Revisional Court itself recorded that the entire transaction relating to the contract was carried out in Punjab and the rice was exported from Kandla Port, Gujarat, yet failed to draw the legal consequence that the Delhi Courts lacked territorial jurisdiction.

14. Learned Senior Counsel further submits that mere filing of the charge-sheet in Delhi does not confer territorial jurisdiction upon the Delhi Courts and that criminal jurisdiction is governed by Chapter XIII of the Cr.P.C.

(corresponding to Chapter XIV of the BNSS) relating to the ordinary place of inquiry and trial. In support of his submissions, he places reliance upon ***Y. Abraham Ajith & Ors. v. Inspector of Police, Chennai & Anr.*, (2004) 8 SCC 100, *Ramesh Boghabhai Bhut v. State & Anr.*, 202**0:DHC:3313, ***Puneet Chawla v. State & Anr.*** 2013:DHC:1051, ***R.K. Jain & Ors. v. State (NCT of Delhi) & Anr.*** 2005:DHC:10851, ***Rajat Pharmachem Ltd & Ors. v. State Trading Corporation of India Ltd.*** 2009:DHC:2872 **and *Malkiat Singh & Ors. v. State & Anr.,*** 2005 SCC OnLine Del 644, and submits that although these judgments were cited before the learned Revisional Court, their ratio was neither distinguished nor applied to the facts of the present case.

15. He further submits that reliance upon Section 508 of the BNSS (corresponding to Section 462 Cr.P.C.) is misconceived, as the said provision is a post-trial curative provision and has no application where the objection regarding territorial jurisdiction has been raised before framing of charge. The judgment relied upon by the respondent pertain to cases after conclusion of trial and is, therefore, distinguishable.

16. Learned Senior Counsel also submits that the CBI had fairly stated, without going into the merits, that it had no objection if the matter was transferred to the Court having competent jurisdiction. However, the learned Revisional Court failed to appreciate that under Section 446 of the BNSS, only the Hon'ble Supreme Court is empowered to transfer criminal proceedings from one State to another. It is, therefore, submitted that the impugned order deserves to be set aside and the proceedings be directed to be presented before the Court having competent territorial jurisdiction.

Submissions on behalf of the respondent/CBI

17. Learned Special Public Prosecutor for the CBI submits that the

objection regarding territorial jurisdiction has been raised at a highly belated stage. He submits that the FIR was registered in 2006, the charge-sheet was filed in 2007, summons were issued in 2008, and charges came to be framed only in 2023. Having participated in the proceedings for nearly 15 years, the petitioners cannot now seek quashing of the proceedings on the ground of territorial jurisdiction.

18. He submits that Section 508 of the BNSS (corresponding to Section 462 Cr.P.C.) squarely applies and the petitioners have failed to establish any failure of justice, which is the statutory requirement under the said provision. Placing reliance upon ***State of Karnataka v. Kuppuswamy Gownder & Ors***., (1987) 2 SCC 74**,** Learned Special Public Prosecutor submits that under Section 508 BNSS (Section 462 Cr.P.C.), a proceeding is not liable to be set aside merely on the ground of want of territorial jurisdiction unless the accused establishes that it has occasioned a failure of justice.

19. He further submits that more than half of the prosecution witnesses have already been examined, four witnesses have been dropped and only eight witnesses remain to be examined**.** If the petitioners were genuinely aggrieved by the territorial jurisdiction of the Trial Court, they ought to have approached the Hon'ble Supreme Court at the appropriate stage seeking transfer of the proceedings. Having failed to do so, they cannot now seek quashing of the proceedings.

20. Learned Special Public Prosecutor further submits that the judgments relied upon by the petitioners are distinguishable, as in those cases the objection regarding territorial jurisdiction was raised at the inception of the proceedings. He submits that once cognizance has been taken and the trial has substantially progressed, the proceedings cannot be directed to be returned as

such a course would result in a *de novo* trial**.** Therefore, the present petition is liable to be dismissed.

<u>Analysis</u>

21. The principal challenge raised by the petitioners is that the Courts at Delhi lacked territorial jurisdiction to try the present case. The FIR was registered in 2006, the charge-sheet was filed in 2007, summons were issued in 2008, while charges came to be framed only in 2023. The petitioners participated in the proceedings throughout and have pursued the present objection after substantial progress of the trial.

22. Section 508 of the BNSS (corresponding to Section 462 Cr.P.C.) makes it clear that a criminal proceeding is not liable to be set aside merely because the inquiry or trial was conducted in a wrong local area unless such irregularity has, in fact, occasioned a failure of justice. Thus, the mere existence of a jurisdictional objection is not sufficient; the petitioners are also required to demonstrate that continuation of the proceedings before the Delhi Courts has caused prejudice resulting in a failure of justice. In the present case, no such prejudice has been demonstrated.

23. Another significant circumstance is the stage of the proceedings. More than half of the prosecution witnesses have already been examined, four witnesses have been dropped and only a few witnesses remain to be examined. At this advanced stage, directing return of the charge-sheet or setting aside the proceedings would inevitably result in a *de novo* trial, rendering the proceedings conducted over the last several years nugatory. Such a course would not be in the interest of justice, particularly when the petitioners have failed to satisfy the statutory requirement under Section 508 of the BNSS.

24. The authorities relied upon by the petitioners were rendered at the pre-trial stage or at a stage where the issue of territorial jurisdiction was examined before substantial progress of the trial. In the present case, however, the proceedings have remained pending since 2006, charges were framed only in 2023, more than half of the prosecution witnesses have already been examined, and the petitioners have failed to establish any failure of justice as contemplated under Section 508 of the BNSS. The said decisions are, therefore, distinguishable on facts. In the present case, having regard to the stage of the trial and in the absence of any demonstrated failure of justice, this Court finds no infirmity in the impugned order warranting interference under Section 528 of the BNSS.

Conclusion

25. In view of the foregoing discussion, this Court finds no infirmity in the impugned order warranting interference in exercise of its inherent jurisdiction under Section 528 of the BNSS. The petitioners have failed to make out any case for interference.

26. Consequently, the present petition, being devoid of merit, is dismissed.

27. Copy of order be sent to learned Trial Court for necessary information and compliance.

28. Pending application(s), if any, also stand disposed of.

MADHU JAIN
(JUDGE)

AUGUST 11, 2026/Av