2025:DHC:10007

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

% ***Reserved on: 06th November, 2025***
Pronounced on: 14th November, 2025

\+ **BAIL APPLN. 1879/2025**

SHAMSHAD AHMAD .....Petitioner
Through: Mr. Aman Mehta, Advocate.

versus

STATE NCT OF DELHI .....Respondent
Through: Mr. Utkarsh, APP for the State with IO.
Dr. Alok, Aanchal Budhraja, Mr. Dhananjay Mittal, Ms. Smriti Walia, Mr. Mayank Deswal, Mr. Aryan Verma, Shivam, Advocates for victim.

CORAM:
HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

J U D G M E N T

NEENA BANSAL KRISHNA, J.

1. First Bail Application under Section 483 *Bharatiya Nagarik Suraksha Sanhita, 2023 (hereinafter referred to as 'BNSS')*, seeking **Regular Bail** in FIR No. 57/2023 under Section 409, 420 and 120B Indian Penal Code, 1860 *(hereinafter referred to as 'IPC')*, PS Economic Offence Wing, Delhi has been filed on behalf of the Applicant.

2. ***Briefly stated***, a *joint Complaint* was filed by Mrs. Rakhi Anand, w/o Mr. Mukesh Kumar Anand, r/o SE-256 Shastri Nagar, Ghaziabad, Uttar

Pradesh and other complainants. Pursuant thereto, FIR No. 57/2023 was registered Section 409, 420 and 120B IPC at PS Economic Offence Wing, Delhi.

3. As per the Complaint, it was alleged that agents/ business leaders of *M/s Axis E-Corp Solutions Pvt. Ltd. (hereinafter 'M/s Axis')* approached and induced Complainants to invest in Grocery Stores under the brand name *"E-Store India*" promising that the Company would provide material for the stores and assured lucrative returns and commissions.

4. It was further alleged that *M/s Axis* was operated through several sister concerns, including *M/s Vedic Ayurcure Pvt. Ltd.* The Applicant, Shamshad Ahmad, alleged to be a Director and shareholder in *M/s Vedic Ayurcure Pvt. Ltd.*, was accused of alluring and inducing victims by making false promises and portraying a picture of high returns on investments.

5. The Applicant was arrested on 11.06.2024 on the allegation that he had not cooperated with the investigation and was allegedly evading the process. The Applicant has submitted that the initial summons had been issued at an old address. Upon valid service at his current address, he fully cooperated with the authorities and was taken into custody during the course of investigation.

6. *The Chargesheet was filed on 29.08.2024, followed by the filing of a Supplementary Chargesheet on 25.11.2024.*

7. The *Applicant was granted Regular Bail by the learned ACJM, Delhi vide Order dated 24.01.2025*, observing that the case was based primarily on documentary evidence already secured and that there was no material to suggest any risk of flight, tampering with evidence or previous criminal

antecedents. It was further observed that the Applicant had remained in custody for a considerable period and had strong roots in society.

8. Thereafter, the Complainant, Mrs. Rakhi Anand, filed an Application seeking cancellation of bail before the learned ASJ and **the *bail was cancelled vide Order dated 23.04.2025.***

9. The Applicant has filed the present *Regular Bail Application* on the ***ground*** that the learned ASJ had failed to appreciate facts and position of law and had erroneously passed the Order based on conjectures and surmises, while material aspects had not been considered.

10. Further, the learned ASJ had erred in cancelling the bail on speculative grounds, without any material change in circumstances, and contrary to the settled legal principles, i.e. that bail once granted ought not to be cancelled unless there is a misuse of liberty, violation of conditions, tampering with evidence, influencing of witnesses, or any act prejudicial to fair trial.

11. The Applicant has complied with all the conditions while he was enlarged on Bail. There has been no allegation of breach, tampering or obstruction of justice against him.

12. The Applicant had a limited and non-operational role in *M/s Vedic Ayurcure Pvt. Ltd.* confined solely to overseeing procurement of stocks related to medicines and cosmetics. He had no involvement in the management, financial affairs, or investor dealings of the Company, which were exclusively handled by other Directors. The Investors' Agreements were executed solely with *M/s Axis*, with which the Applicant had no association, ownership, or managerial role.

13. Further, the figure of Rs. 118 crores, as mentioned in the supplementary Reply of the Investigating Officer and relied upon by the learned ASJ, is an unverified and unsupported claim.

14. As per the Chargesheet, the alleged financial involvement specifically attributable to *M/s Vedic Ayurcure Pvt. Ltd.* with which the Applicant is associated, is only Rs. 2.85 crores. The Complainants and the prosecuting Agency have projected arbitrary and inconsistent figures ranging from Rs. 50 crores to Rs. 500 crores, without placing any credible, substantiated, or verifiable evidence on record. Further, no forensic audit, expert financial assessment has been filed to support the said allegations. Thus, the reliance placed on such uncorroborated assertions of Complainants without any documentary or forensic basis, would be legally untenable.

15. Further, the learned ASJ has erroneously observed that "*several shell companies were created wherein the amount procured from victims was systematically transferred and withdrawn/ utilized.*" However, as per the Chargesheet, the said Companies had ongoing commercial dealings with *M/s Vedic Ayurcure Pvt. Ltd.* These include legitimate business transactions for the supply of goods and services.

16. The learned ASJ had further observed that *the possibility of the Applicant being complicit in the GDS Coin Scheme in Dubai, could not be ruled out.* The said observation is speculative and unsupported by direct evidence. The allegations pertaining to the GDS Coin Scheme concerned the co-accused Mr. Faizan Ali Khan and there is no material on record linking the Applicant to the said Scheme. The Applicant cannot be held vicariously liable for the independent actions of the co-accused.

17. The learned ASJ failed to consider the limited role of the Applicant, the documentary nature of the evidence, and the overarching constitutional guarantee of personal liberty. Further, of the 493 complainants identified, only 152 have come forward thus far, and despite the lapse of nearly two years, only a main Chargesheet and one Supplementary chargesheet, have been filed. It is an admitted position of the prosecution that any further evidence, if recovered, was documentary in nature and already stood secured.

18. *The learned ASJ failed to record any specific or compelling purpose for the Applicant's continued detention*. It is a settled principle of law that judicial custody must serve a legitimate and defined purpose.

19. The Applicant has already undergone more than ten months of judicial custody and continued incarceration in a case based primarily on documentary evidence where investigation as against the applicant stands substantially completed, would serve no valid legal purpose and is an arbitrary curtailment of liberty under Article 21 of the Constitution of India.

20. Significantly, that bail granted to similarly situated co-accused persons, has not been cancelled. No Application for cancellation has been filed against them, and they continue to remain on bail despite facing identical allegations and being at the same stage of trial.

21. The learned ASJ has erroneously observed that the co-accused who were granted bail, were not the Directors of either of the Companies and the role alleged *qua* them was different than that of the Applicant. It is submitted that the mere fact of designation as *'Director'* cannot, in the

absence of specific evidence of managerial control or financial decision-making, constitute a valid ground to deny parity.

22. The Applicant has been granted bail in other connected cases arising from similar allegations, including bail granted by the Hon'ble Uttarakhand High Court and by the learned CJMs in Bangalore and Hyderabad, demonstrating that he does not pose any risk of absconding, tampering with evidence, or committing any further offence.

23. Chargesheet has not been filed against either Mr. Faizan or M/s Axis E-Corp Solutions Pvt. Ltd., which amounts to non-prosecution of the principal accused. Further, no investigation has been conducted into the alleged erasure or removal of records or digital data. Thus, the learned ASJ has erred in observing that the possibility of tampering with evidence cannot be ruled out.

24. The Applicant had continued to comply with all bail conditions, however, the learned ASJ had erroneously proceeded to cancel the bail granted to the applicant *vide* Order dated 23.04.2025.

25. ***Status Report*** has been filed on behalf of the State. It is stated that *M/s Vedic Ayurcare Health & Retail Pvt. Ltd.* was involved in business of medicine and supplied their products in grocery stores maintained by *M/s Axis.*

26. It is stated that the two Companies had common Directors. In *M/s Axis*, the Directors are Mohd. Faizan Khan, Nazima Khan (wife of Mohd. Faizan Khan), Mukesh Kumar Tyagi, while in *M/s Vedic Ayurcure Health & Retail Pvt. Ltd.*, the Directors are Mukesh Tyagi, Mohd. Faizan Khan, Urooj Ali Khan and Shamshad Ahmad, the Applicant.

27. During the investigation, it was found that 493 Complaints/Agreements from victims/complainants from different part of India, had been received. Statements of 230 complainants have been recorded so far containing similar allegations against the alleged Directors of *M/s Vedic Ayurcure Health & Retails Pvt. Ltd* and *M/s Axis*.

28. On 11.06.2024, the Petitioner, who is a Director of *M/s Vedic Ayurcure Health & Retails Pvt. Ltd.*, having 26% shareholding in this Company, was arrested.

29. During his interrogation, he informed that the Directors of the alleged Companies, i.e., *Faizan Khan, Mukesh Kumar Tyagi, Urooj Ali Khan and Nazima Khan* had collected amounts/funds from victims/Complainants on the pretext of a Multilevel Marketing Scheme, with *M/s Axis* for opening Grocery Store and *M/s Vedic Ayurcare Health & Retail Pvt. Ltd* for medicine. They failed to fulfill their promises of good returns and fled from their available addresses after closing their business. Applicant Shamshad Ahemad further disclosed the names of agents i.e. Zafar Maqsood Khan, Sharfarj, Gopal Singh Rawat, Ashfaq Ali, Rohit Jain, Dhyan Singh Bhangari and Sanjay Singh Bholey who were working as main/active agents in the said Companies.

30. Thereafter, 03 more accused persons namely *Zafar Maqsood Khan, Ashfaq Ali and Gopal Singh Rawat* were arrested in the case and Chargesheet against them, was filed in the Ld. Trial Court.

31. Further raids were conducted on the houses and known addresses of accused persons namely Rohit Jain, Sharfraj, Sanjay Singh Bholey and Dhyan Singh Bhangari. Non-Bailable Warrants were issued against the

aforementioned accused persons by the learned Trial Court. *Accused Rohit Jain, Sharfraj and Sanjay Singh got anticipatory bail* from this Court.

32. *M/s Vedic Ayurcure Health & Retails Pvt. Ltd.* and *M/s Axis*, being run by Mohd. Faizan Khan, had the same registered address.

33. *M/s Axis* was running the Multilevel Marketing Scheme for grocery stores, with the minimum investment starting from 25 lakhs. In return, they would open a store in the investor's city in the name of E-Store India wherein goods worth Rs. 25 lakhs of rack product etc., were given. The investors would get returns of Rs. 1 lakh per month till 36 months and 5% of the sales of that store was given to the investors, and discounts were available for those who used Vedic Ayur Cure IDs.

34. The Applicant had provided IDs to customers in a different scheme on their investment by inducing them with promise of higher returns and incentives, as per the chain system. Users of the ID could show anyone to doctors who camped weekly at the outlets and same IDs could be used for the purchase of medicines for a certain amount and any balance amount would be deposited in the wallet of the ID holder. Similarly, there were other schemes in which investments would be deposited in the wallet and discount coupons would be issued.

35. Certain leaders and agents in these Companies, would sit in the Company office, and posed as company employees in order to mislead people regarding the Scheme. They allegedly lured people to join the Company by making false promises, and in return, received a hefty commission in cash, gifts, and bank accounts from the Company.

36. It was alleged that these persons were aware that the Companies did not have the necessary permission to run the Multilevel Marketing Scheme, and in collusion with others, intentionally and falsely induced many people to invest in the company.

37. In order to divert funds from both Companies, several other Companies had been formed, where the Authorized Signatory was either one of these persons or someone close to accused persons. Some of the Companies which were used to divert funds are *M/s Wonder Style India Private Limited*, (*hereinafter 'M/s Wonder Style'*) *M/s Colourzone Media Private Limited,* and *M/s Cyber Valley India Private Limited (hereinafter 'M/s Cyber Valley').*

38. As per the disclosure statement of the Applicant, he was also the director of *M/s Wonder Style* and *M/s Cyber Valley*, and got the amounts from *M/s Vedic Ayurcare Health & Retail Pvt. Ltd.*

39. During investigation, it was revealed that *M/s Vedic Ayurcure Health & Retails Pvt. Ltd*., operated through its director i.e. the Applicant, who was a majority shareholder and main Director and Authorized Signatory in *M/s Wonder Style* and *M/s Cyber Valley*. Notices under Section 91/ 160 Cr.P.C. were issued to the Directors of the said Companies. The Directors stated that they were working as employees and received salaries in their accounts.

40. *M/s Wonder Style* was related to Cloth Store, which would manufacture and sell in E-Store, being run by M/s Axis E-Corp Solutions Pvt. Ltd. It is stated that Rs. 21.5 Lakhs had been transferred to A/c No. 921020030804524 in the name *M/s Wonder Style*. Bank account No. 921020030804524 of *M/s Wonder Style* was also frozen.

41. *M/s Cyber Valley* is related to IT work. During the course of investigation, it was revealed that Rs. 70,75,000/- were transferred to the account of *M/s Cyber Valley*. Bank accounts bearing No. 921020030804500 and 164005001040 of *M/ s Cyber Valley*, were frozen.

42. It is stated that there is documentary evidence that the Applicant had visited Dubai along with all other leaders of the Company on the expenses of the alleged Company.

43. The Applicant was arrested on 11.06.2024. It is stated that 14 FIRs had been registered against these two Companies, namely *M/s Axis* and *M/s Vedic Ayurcure Health & Retails Pvt. Ltd.* and their Directors including the Applicant.

44. The other accused Directors of the companies, being Urooj Ali Khan, Mukesh Kumar Tyagi, and Nazima Khan have been declared absconders by the learned Trial Court. Proceedings under Section 82 C.r.PC have been initiated against the absconding Director, accused Mohd. Faizan Khan. Further, during the course of investigation, Red Corner Notices (*'RCN'*) have been issued against above alleged directors.

45. The State has strongly opposed the grant of bail to the Applicant on the ***ground*** that the Applicant, Director/shareholder of *M/s Vedic Ayurcure Health & Retails Pvt. Ltd.* collected huge amounts from Complainant/victims through the Multilevel Marketing Scheme.

46. The Applicant was directly associated with the day-to-day business activity of the alleged Companies. Further, during the investigation, a total of 494 complainants/victims have been identified so far. Notices were issued to all victims out of which 147 victims have been examined.

47. The total amount collected from these Complainants/victims come to be more than Rs. 119 Crore. Further, more Complaints are still being received in the case.

48. It is stated that *M/s Axis* and *M/s Vedic Ayurcure Health & Retails Pvt. Ltd.* had more than 82 bank accounts to collect the public money, and all the bank accounts have been frozen.

49. Further, during investigation the Applicant fled from India to Dubai with other accused Directors of the *M/s Axis* and *M/s Vedic Ayurcure Health & Retails Pvt. Ltd*. Subsequently he returned to India and was arrested in the case.

50. The other co-accused and Directors of the alleged Companies are still at large and presently in Dubai, against whom RCN proceedings have been initiated.

51. The Main Chargesheet has been filed against the Applicant before the learned Trial Court and Supplementary Chargesheet in respect of siphoning/diverted and misappropriation of funds from alleged *M/s Vedic Ayurcure Health & Retails Pvt. Ltd*. to their sister Companies.

52. The Applicant may influence witnesses, if he is released on bail. He may even travel abroad and jump the bail.

53. *In view of aforesaid grounds, the bail application of the Applicant/ Shamshad Ahmad is strongly opposed.*

54. The ***learned Counsel appearing on behalf of the ten Complainants***, has placed reliance on the *Status Report filed by the State* and the Application for Cancellation of Bail, which form part of the record. She

submitted that the role of the Applicant had been adequately stated in the Status Report.

55. She further submitted that there were arbitration and mediation proceedings which took place between some of the Complainants and the accused persons, and the cheques so issued to the Complainants, have been dishonored. She further submitted that the two Companies, i.e. *M/s Axis* and *M/s Vedic Ayurcure Pvt. Ltd*. had been operating out of the same office space.

56. Further, the Applicant had been operating two accounts, which were used to transfer amounts from *M/s Vedic Ayurcure Pvt. Ltd.* to the tune of Rs.1.85 crores and Rs. 25 lakhs, the latter amount having been allegedly transferred to his wife's account. She further submitted that *M/s Vedic Ayurcure Pvt. Ltd.* was concerned with the Marketing Schemes in the Multilevel Marketing Scheme.

57. In response, the ***learned Counsel for the Applicant*** has submitted that the settlements had been made through the authorised Representative Zafar Khan. He submitted that *M/s Axis* and *M/s Vedic Ayurcure Pvt. Ltd.* were not sister concerns and further, *M/s Vedic Ayurcure Pvt. Ltd.* was not concerned with the Marketing Schemes.

58. He further submitted that co-accused Mohd. Faizan Khan, was the Authorised Signatory. Further, it was denied that the transfer of amount was made to his wife's account. The said amount was salary being credited to the account, which was a joint account of himself and his wife.

59. He further submitted that the Applicant was not a flight risk. He had already submitted his passport and had never threatened any witness.

Submissions heard and record perused.

60. Essentially, the Applicant has filed the present Regular Bail Application under Section 483 BNSS, seeking regular bail in FIR No. 57/2023 under Section 409, 420 and 120B IPC, PS Economic Offence Wing, Delhi.

61. The Applicant had been granted bail by the learned CJM on 24.01.2025. Thereafter, the Complainant had filed an Application seeking cancellation of bail before the learned ASJ, which was allowed on 23.04.2025.

62. Evidently, the factors that weighed with the Ld. ASJ to cancel the Bail was the number of complainants, who were cheated and the involvement of about Rs.118 crores. It was noted that the relevant material had not been considered and even if only a handful of complainants had appeared before the learned Trial Court, the Court ought to have considered all the 493 affected persons.

63. Further, the learned ASJ had observed that the actual quantum was yet to be identified, which was calculated at Rs. 118 crores. Further, the learned ASJ has observed that investments had even been made in cash, and the same had not been considered by the Investigating Officer.

64. Pertinently, the factual situation of the Complainants had not changed, and no further circumstances were deciphered so as show any further need for arrest. The enormity of the financial fraud and cheating has been duly examined. Though more than 400 Complainants who have been identified, around 152 have joined the investigation in nearly 2 years.

65. It was observed by the Ld. ASJ that there was allegation regarding the alleged erasure or removal of records or digital data. However, Main Chargesheet, and the Supplementary Chargesheet do not contain any allegation suggesting that the Applicant destroyed, concealed, or caused the disappearance of material evidence, and the Applicant has not been charged under Section 201 IPC.

66. The allegations against the Applicant are in regard to his operational role in *M/s Vedic Ayurcure Pvt. Ltd*. and his involvement in the management, financial affairs, or investor dealings of the Company. However, the investors' Agreements were executed solely with *M/s Axis*, in which the applicant had denied his association, ownership, or managerial role.

67. The finding of the learned ASJ that the Applicant and co-accused are not similarly placed since the co-accused persons were not Directors, is not sustainable. In *State of Haryana v. Brij Lal Mittal and Others*, (1998) 5 SCC 343, it has been held that "*Simply because a person is a director of the company it does not necessarily mean that he fulfils both the above requirements so as to make him liable.* ***Conversely, without being a director a person can be in charge of and responsible to the company for the conduct of its business.***"

68. Thus, it would not be correct to hold that the co-accused who were granted bail, had a different role as was alleged *qua* them, merely on the basis of the fact that they were not Directors in either of the Companies without specific evidence regarding their role. This again, would be a matter of trial. Further, the bail granted to the co-accused persons has not been

cancelled, and no application for cancellation of bail has been filed against them. There are no circumstances demonstrated, which justify cancellation of Bail of the Applicant.

69. Even the submissions regarding the figure of Rs. 118 crores which was mentioned in the Supplementary Reply filed by the Investigating Officer, would be a matter of trial and cannot be considered at this stage. The contention regarding other Companies having ongoing commercial dealings with *M/s Vedic Ayurcure Pvt. Ltd.* and having legitimate business transactions for the supply of goods and services, would also face the same fate.

70. There is no assertion that the Applicant had violated any bail conditions imposed by the learned CJM. Further, the Applicant has been granted bail in other connected cases arising from similar allegations, including bail granted by the Hon'ble Uttarakhand High Court and by the learned CJMs in Bangalore and Hyderabad, which allegations pertain to the same business activities and period, as in the present case.

71. In the decision of the Hon'ble Apex Court in *P vs. State of M.P.*, (2022) 15 SCC 211, it has been observed that, *"in ordinary circumstances, this Court would be loathe to interfere with an order passed by the court below granting bail but if such an order is found to be illegal or perverse or premised on material that is irrelevant, then such an order is susceptible to scrutiny and interference by the appellate court."*

72. In the recent case of *Ajwar vs. Waseem* (2024) 10 SCC 768, the factors for recalling a Bail once granted, were enumerated thus:

> "**27.** *It is equally well settled that bail once granted, ought not to be cancelled in a mechanical manner. However, an unreasoned or perverse order of bail is always open to interference by the superior court. If there are serious allegations against the accused, even if he has not misused the bail granted to him, such an order can be cancelled by the same Court that has granted the bail. Bail can also be revoked by a superior court if it transpires that the courts below have ignored the relevant material available on record or not looked into the gravity of the offence or the impact on the society resulting in such an order.*"

73. However, the present matter pertains to offences under Section 409, 420 and 120B, and any further evidence, if any, would be primarily documentary in nature. Furthermore, the bail once granted ought not to be cancelled.

74. In view of the aforesaid, it is observed that the conduct of the Applicant was not one that warranted the cancellation of bail without any material change in circumstances, misuse of liberty, violation of conditions, tampering of evidence, influencing of witnesses or any act prejudicial to fair trial.

75. The Applicant has undergone more than ten months of judicial custody. Further, Chargesheet and Supplementary Chargesheet have been filed. The continued incarceration of the Applicant would serve no valid legal purpose and amounts to an arbitrary curtailment of liberty under Article 21 of the Constitution of India.

76. Considering the totality of circumstances, the Applicant/Shamshad Ahmad is admitted to Regular Bail on his furnishing a Personal Bond in the sum of Rs.1,00,000 (Rupees one lac Only) with one surety in the like amount to the satisfaction of learned Trial Court and on the following conditions:

(a) That the Applicant shall not tamper with the evidence or influence any witness(es) in any manner;

(b) That the Applicant shall file an "Undertaking" to the effect that he shall appear before the Court on each and every date of hearing to attend the proceedings in accordance with the terms of Bail Bond, which would be executed by him. In case of default, it shall be open to the learned Trial Court to treat it as an abuse of liberty of Bail and pass orders in accordance with law;

(c) In case the Applicant misuses the liberty of Bail during trial and in order to secure his presence, proclamation under Section 82 Cr.P.C is issued and the Applicant fails to appear before the Court on the date fixed in such proclamation, then the learned Trial Court shall initiate necessary proceedings against him, in accordance with law;

(d) The Accused/Applicant is further directed not to leave the jurisdiction of NCT of Delhi, without prior permission of the concerned IO/SHO;

(e) The Applicant shall provide his mobile number and share his Google PIN location to the concerned IO/SHO and shall keep his mobile phone operational at all times.

77. Accordingly, the Bail Application along with pending Applications, if any, is disposed of.

(NEENA BANSAL KRISHNA)
JUDGE

NOVEMBER 14, 2025
RS