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

% ***Date of Decision: 27th October, 2026***

\# **CNR No. DLHC010239092026**

\+ BAIL APPLN. 2032/2026

VINAY NEGI .....Petitioner

Through: Mr. Virender Verma, Adv. (Through VC)

versus

STATE NCT OF DELHI .....Respondent

Through: Mr. Ajay Vikram Singh, APP for State
Ms. Rachna Maheshwari, Ms. Mannu Bansal and Ms. Raina Jha, Advs. for complainant
Insp. Jasveer Singh, PS EOW

CORAM:
HON'BLE MS. JUSTICE MINI PUSHKARNA

MINI PUSHKARNA, J. *(Oral):*

1. The present application has been filed under Section 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023 ("BNSS"), seeking grant of regular bail to the petitioner, i.e., Sh. Vinay Negi, S/o Late Sh. Hukam Singh, in connection with the First Information Report ("FIR"), being *FIR No. 129/2024,* dated 01st November, 2024, registered at Police Station ("PS") Economic Offences Wing ("EOW"), South, Delhi, under Sections 316(5)/318(4)/336(3)/340(2)/61(2) of the Bharatiya Nyaya Sanhita, 2023

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("BNS") and Sections 65/66 of the Information Technology Act, 2000 ("IT Act").

2. The relevant facts pertinent for the adjudication of the present application, culled out from the documents on record, are as follows:

2.1. The present FIR came to be registered on 01st November, 2024, at PS EOW, South, Delhi, pursuant to a written complaint dated 01st October, 2024, filed by Sh. Jackie Verma, the Chief Financial Officer ("CFO") and Authorized Representative ("AR") of M/s KNAB Finance Advisors Pvt. Ltd, a licensed Non-Banking Financial Company ("NBFC") engaged in digital lending primarily offering Loan Against Securities ("LAS") such as shares, bonds and mutual funds.

2.2. The complainant company alleges fraud, cheating, misappropriation of funds, forgery, and criminal conspiracy, causing wrongful loss of around Rs. 5,00,00,000/- (Rupees Five Crore Only) to the complainant company, by the accused persons, including the petitioner herein.

2.3. It has further been alleged in the FIR that the petitioner joined the complainant company in August, 2023, as Assistant Manager (Operations), and he was responsible for approving disbursements to customers, marking repayments and approving further tranche requests, and had authorized access to the company's Loan Management System ("LMS"). He was thereby entrusted with the company's funds in his official capacity.

2.4. As per the complainant company, its Finance Department noticed irregularities in repeated tranche requests and payments. Subsequently, it was discovered that although the loan accounts showed that funds had been disbursed, but none of the original borrowers received the money, and the tranche payments had also not been entered into the LMS.

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2.5. It is alleged that since March, 2024, the petitioner, in complicity with unknown accomplices, had siphoned off the company's funds. When clarification was sought from him, he allegedly stopped attending office and absconded.

2.6. The complainant alleges that at least 69 fraudulent transactions, amounting to Rs. 3,23,00,000/- (Rupees Three Crore and Twenty-Three Lacs Only), were routed into three bank accounts, two in the name of the petitioner and one in the name of the co-accused, i.e., Sh. Amit Bhandari, whose identity is stated to be unknown. The complainant suggests that the co-accused may either be a fictitious person created by the petitioner or a co-conspirator.

2.7. During the course of investigation, the *modus operandi* of the petitioner was unearthed as follows; (i) forging tranche disbursement related emails by impersonating customers/support desk officials; (ii) manipulating beneficiary account details in tranche processing requests; (iii) bypassing the authorized LMS/LOS operational approval workflow; (iv) diverting company funds into personal and associated beneficiary accounts; (v) fabricating operational records to falsely depict successful customer disbursement entries; (vi) utilizing the co-accused bank accounts for temporary routing/layering of siphoned funds.

2.8. A Final Report/Chargesheet dated 15th July, 2025, was filed by the Investigating Officer ("IO") before the Judicial Magistrate First Class ("JMFC"), South District, Saket Courts, Delhi. Furthermore, a supplementary Chargesheet dated 10th February, 2026, was also filed before the Trial Court.

2.9. The role attributed to the petitioner in the Chargesheet is reproduced as under:

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"xxx xxx xxx

ROLE OF ACCUSED PERSONS

18.26. Vinay Negi (I):

1. The accused has misappropriated and embezzled/siphoned off a substantial amount of ₹3,23,55,630 belonging to the company, of which he was a custodian and duty-bound to protect its interests.

2. Accused Vinay Negi, in furtherance of his criminal intent, forged emails to appear as if they were sent either by customers or by employees of the support desk. These forged emails were used for the purpose of cheating, thereby committing the offence of forgery and fraudulent misrepresentation.

3. Scrutiny of the alleged account of the accused revealed that the entire misappropriated amount was immediately siphoned off and invested in his share trading account.

4. "When the fence eats the field, who will guard it?" In this case, the accused himself is the metaphorical fence.

5. The accused has been specifically named in the complaint, and all allegations stand corroborated by the account details of both the accused and his associate.
6. The accused is habitually involved in options trading, driven by greed to become rich overnight. In pursuit of this, he inflicted substantial financial losses on his employer company.

7. The accused committed the offence with premeditated planning and in active connivance with his cousin/co-accused.

8. He was the signatory to the bank account through which the alleged amount was siphoned off and utilized.

9. He manipulated internal customer email communications and substituted account numbers with those belonging to himself and his friend to facilitate the fraudulent disbursement of funds.

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3. The Criminal Case, being *CR Cases 5295/2025,* in connection with the present FIR is pending adjudication before the Chief Judicial Magistrate

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("CJM"), South, Saket Courts, Delhi, and is presently at the stage of framing of charges.

4. The latest Nominal Roll dated 29th June, 2026, furnished by the Jail Authorities, shows that the petitioner has been in custody since 08th May, 2025, i.e., for a period of 01 year 01 month and 22 days till 29th September, 2026. Accordingly, presently, the petitioner has been in custody for an approximate period of 01 year and a half year.

5. The case put forth by the petitioner in support of his application for regular bail, is as follows:

5.1. Learned counsel appearing for the petitioner submits that the charges in the matter have still not been framed and that the petitioner has been in custody for the last one and a half years.

5.2. The petitioner does not have any criminal antecedents, and the investigation against the petitioner has been completed in all respects, thus, the petitioner is no longer required by the investigating agency. The police officials have recorded the disclosure statement of the petitioner and have taken all information from him.

5.3. The entire criminal proceedings have been falsely transplanted on the petitioner and the accountability of the role of various high bank officials, decision makers have been ignored, to save the said persons.

5.4. The entire case of the prosecution rests on documentary evidence and there are no chances of tampering with the prosecution evidence whatsoever.

5.5. There exists no direct, indirect, or circumstantial cogent evidence to connect the petitioner with the commission of the alleged offence. Moreover, it is impractical for an employee to commit an offence of such a quantum.

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6. *Per Contra*, the present application is vehemently opposed by the learned Additional Public Prosecutor ("APP") for the State.

7. The case of the prosecution, as put forth in the Status Report dated 09th July, 2026, as well as the submissions made before this Court, is as follows:

7.1. The present FIR was lodged against the petitioner on the basis of the complaint of the company which is a licensed NBFC under Companies Act, 1956 ("Companies Act").

7.2. The petitioner was not merely an employee but was involved in operational handling of loan accounts, and has embezzled and misappropriated funds to the extent of Rs. 3,23,55,629/- (Rupees Three Crore Twenty-Three Lacs Fifty-Five Thousand Six Hundred and Twenty-Nine Only).

7.3. The misappropriated funds have still not been recovered, and the petitioner is guilty of misappropriating public money.

7.4. The investigation has established that the amount transferred into the account of co-accused, subsequently routed back into the account of the petitioner after retention of marginal amount, thereby, confirming the coordinated financial routing and active conspiracy between both accused persons.

7.5. The petitioner's contention of being falsely implicated as a scapegoat is untenable in light of the direct banking trail, digital evidence, forged operational communications and beneficiary account linkage established during interrogation.

8. Learned counsel appearing for the complainant submits that this the present is a case of a serious offence and the maximum sentence would be life imprisonment.

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9. This Court is further informed that the bail application of the co-accused, who is not the financial beneficiary, has also been rejected by this Court.

10. Having heard learned counsel appearing for the parties this Court notes the submission made by learned APP for the State that the role of the petitioner herein stands corroborated by way of direct banking trail analysis, beneficiary account mapping, digital and electronic evidence, forged operational emails, transactional chronology correlation, witness statements, and operational access analysis.

11. The petitioner is the beneficiary of the account and is guilty of misappropriating huge public funds.

12. The Supreme Court in its decision in the case of ***Y.S. Jagan Mohan Reddy Versus Central Bureau of Investigation, (2013) 7 SCC 439***, held that while considering bails in economic offences, a different approach is required to be taken as such offences have public ramifications. The relevant excerpts of the said judgement are as follows:

> *"xxx xxx xxx*
>
> ***34. Economic offences constitute a class apart and need to be visited with a different approach in the matter of bail. The economic offences having deep-rooted conspiracies and involving huge loss of public funds need to be viewed seriously and considered as grave offences affecting the economy of the country as a whole and thereby posing serious threat to the financial health of the country.***
>
> ***35. While granting bail, the court has to keep in mind the nature of accusations, the nature of evidence in support thereof, the severity of the punishment which conviction will entail, the character of the accused, circumstances which are peculiar to the accused, reasonable possibility of securing the presence of the accused at the trial, reasonable apprehension of the***

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witnesses being tampered with, the larger interests of the public/State and other similar considerations.

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(Emphasis Supplied)

13. Fruitful reference may also be made to the judgment in the case of ***Centrum Financial Services Ltd. Versus State (NCT of Delhi), (2022) 13 SCC 286***, wherein, the Supreme Court, in almost similarly placed facts, while cancelling the bail granted by the High Court made the following material observations:

> *"1. Feeling aggrieved and dissatisfied with the impugned judgment and order dated 14-9-2020 [Jayant Kumar Jain v. State, 2020 SCC OnLine Del 2103] passed by the High Court of Delhi at New Delhi in Bail Application No. 2442 of 2020 by which the High Court has allowed the said application preferred by Respondent 2 herein and has directed that he be released on bail in connection with FIR No. 128 of 2019 PS Economic Offences Wing in New Delhi for the offences under Sections 409, 420, 467, 468, 471 and 120-B Penal Code, 1860, the original complainant has preferred the present appeal.*
>
> *2. That the appellant herein a non-banking financial company (NBFC) lodged an FIR/complaint with the Economic Offences Branch, New Delhi against the company Sri Aranath Logistics Ltd. (formerly known as "LMJ Logistics Ltd."), Respondent 2 herein Jayant Kumar Jain, Managing Director and others for the offences under Sections 409, 420, 467, 468, 471 and 120-B Penal Code, 1860.*
>
> *3. It was alleged against the accused-Respondent 2 herein that he is the Managing Director of Aranath Logistics Ltd. engaged in the business of multi-commodity trading of agricultural and non-commodities agricultural. That by way of written agreement accused availed loan credit facilities to the tune of Rs. 25 crores for a term of 180 days from the complainant Company. It was alleged that the said amount of Rs. 25 crores was disbursed in the year 2017. It was alleged that the said amount of Rs. 25 crores was required to be used by the company for its own purpose. It*

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was further alleged that for the purpose of repayment of loan, no stock statement was submitted and mortgage was also not created as agreed between the parties. It was further alleged that instead of using the amount for the purpose mentioned in the agreement the same was transferred to several fake/shell companies.

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21. Thus, it has been found that the credit facility to the tune of Rs. 25 crores availed by LMJ Logistics Ltd. were not used for any business purposes i.e. sale purchase of agri or non-agri products but it has been rotated through shell entities and immediately transferred to other company LMJ International Ltd. to square off the liabilities through the shell companies.

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24. All these aforesaid allegations and the material collected during the course of the investigation which are being part of the charge-sheet and supplementary charge-sheet are not taken note of by the High Court and the High Court has just simply ignored the same and has released Respondent 2 on bail by simply observing that case arises out of a commercial transaction and the dispute is of a civil nature. Therefore, the High Court has not at all taken into consideration the relevant considerations while granting bail. Even the High Court has not at all taken note of the reasoning given by the learned Sessions Court while rejecting the bail application of Respondent 2.

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28. In Neeru Yadav v. State of U.P., it is held by this Court in para 11 as under: (SCC p. 428)

> ***"11. It is a well-settled principle of law that while dealing with an application for grant of bail, it is the duty of the Court to take into consideration certain factors and they basically are : (i) the nature of accusation and the severity of punishment in cases of conviction and the nature of supporting evidence, (ii) reasonable apprehension of tampering with the witnesses for apprehension of threat to the complainant, and (iii) prima facie satisfaction of the Court in support of the charge.***

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> ***29. <u>In Anil Kumar Yadav v. State (NCT of Delhi), it is observed and held by this Court that while granting bail, the relevant considerations are:</u>***
>
> > ***<u>(i) nature of seriousness of the offence;</u>***
> > ***<u>(ii) character of the evidence and circumstances which are peculiar to the accused; and</u>***
> > ***<u>(iii) likelihood of the accused fleeing from justice;</u>***
> > ***<u>(iv) the impact that his release may make on the prosecution witnesses, its impact on the society; and</u>***
> > ***<u>(v) likelihood of his tampering.</u>***
>
> *xxx xxx xxx*
>
> ***31. <u>Applying the law laid down by this Court in the aforesaid decisions to the facts of the case on hand and the grounds on which the High Court has released Respondent 2 on bail, we are constrained (sic) to observe that in the instant case while dealing with the application of the accused for grant of bail, the High Court has completely lost sight of the basic principles enumerated above.</u>*** *The High Court has not at all considered the modus operandi adopted by the accused in commission of serious offence of siphoning and/or transferring the huge sum to another company through shell companies.* ***<u>The High Court has also not taken into consideration the status report filed by the investigating officer in which in detail it has been pointed out how systematically the accused have committed the offence and misappropriated/siphoned off the huge sum through shell companies. Thus, it appears that the High Court has not adverted to the relevant considerations and has granted the bail mechanically by observing that the case arises out of a commercial transaction</u>***.
>
> *xxx xxx xxx"*
>
> *(Emphasis Supplied)*

14. This Court notes that economic offences involve criminal breach of trust, systematic manipulation of financial processes and diversion of institutional funds which constitute grave offences affecting financial discipline institutional integrity and public confidence in regulated NBFC system.

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15. It is to be noted that the plea of prolonged incarceration raised by the petitioner does not dilute the gravity of the allegations and the strength of evidence collected during investigation.

16. This Court also takes note of the fact that the amount embezzled by the petitioner has still not been recovered.

17. This Court also takes note of the submission made by the learned APP for the State that the petitioner has not denied the fact that the said money was transferred by the petitioner himself to his own account as well as to the account of the co-accused which has been returned to the account of the petitioner.

18. The case is at nascent stage and therefore, this Court finds no merit in the present bail application.

19. The present bail application is accordingly dismissed.

20. However, it is clarified that nothing contain herein shall be considered as an expression on the merits of the case.

MINI PUSHKARNA, J

OCTOBER 27, 2026/KR

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