

2026:PHHC:087429



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

DECIDED ON: 12.06.2026

CRM-M-33388-2026 (O&M)

AMIT DEWAN

.....PETITIONER(S)

VERSUS

CENTRAL BUREAU OF INVESTIGATON

.....RESPONDENT(S)

CRM-M-33399-2026 (O&M)

AMIT DEWAN

.....PETITIONER(S)

VERSUS

CENTRAL BUREAU OF INVESTIGATON

.....RESPONDENT(S)

CORAM: HON'BLE MR. JUSTICE SANDEEP MOUDGIL

Present: Mr. Salil Dev Singh Bali, Sr. Advocate with
Mr. Parveen Jain, Advocate and
Mr. K.S.Nalwa, Sr. Advocate with
Mr. Kanwarpal Singh, Advocate and
Mr. Sanal Kumar, Advocate for the petitioner(s)

Mr. Ravi Kamal Gupta, Advocate for respondent/CBI.

Mr. R.S. Rai, Sr. Advocate with
Ms. Rubina Virmani, Advocate
Mr. Arjun Singh Rai, Advocate and
Mr. Hardik Baid, Advocate for the complainant.

SANDEEP MOUDGIL, J (ORAL)

1. **Relief Sought**

The jurisdiction of this Court has been invoked under Section 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023 for grant of Regular Bail to the Petitioner in the case FIR No.RC2212026E0005 dated 08.04.2026 and RC2212026E0009 dated 04.05.2026 registered at CBI, EO-III, New Delhi under Sections 316(5), 318(4), 336(3), 338, 340(2) and 61(2) BNS, 2023 and Sections 13(2) & 13(1)(a) of the PC Act, 1988 (as amended in 2018).

Vide this common order, this Court shall dispose of above mentioned two petitions since common questions of facts and law is involved therein and arising out of an alleged large-scale financial fraud involving certain Government departments and public sector entities of the States of Haryana and Chandigarh.

2. **Brief Facts**

The petitioner was serving as Director (Finance), Haryana Power Generation Corporation Limited (HPGCL), at the relevant time. The allegations broadly pertain to unauthorized opening and operation of bank accounts with private banks, transfer of public funds into such accounts, fraudulent withdrawal of funds and related banking transactions allegedly carried out in conspiracy with bank officials and other accused persons.

The first case emanates from FIR No. 04 dated 23.02.2026 registered by the State Vigilance and Anti-Corruption Bureau, Panchkula, which was subsequently taken over by the Central Bureau of Investigation and re-registered as FIR No. RC2212026E0005 dated 08.04.2026. The said FIR concerns alleged

irregularities in accounts maintained by HPGCL and other Government entities with IDFC First Bank and AU Small Finance Bank, resulting in alleged siphoning of public funds.

The second case arises out of FIR No. 03 dated 12.03.2026 registered by the Economic Offences Wing, Chandigarh, which was subsequently taken over by the CBI and re-registered as FIR No. RC2212026E0009 dated 04.05.2026. The allegations therein relate to unauthorized deposit and withdrawal transactions from accounts maintained by Chandigarh Renewable Energy and Science & Technology Promotion Society (CREST) with IDFC First Bank, Chandigarh.

The petitioner was arrested on 18.03.2026 and has remained in custody thereafter. Investigation in FIR No. RC2212026E0005 is stated to have culminated in presentation of the challan, whereas investigation in FIR No. RC2212026E0009 is stated to be continuing. Since the allegations in both matters arise from the same alleged banking fraud and involve overlapping facts, parties and transactions, both petitions were heard together and are being disposed of by this common order.

3. **Contentions**

On behalf of the petitioner

Learned Senior Counsel for the petitioner submits that the petitioner was not named in the original FIRs and no specific role was attributed to him at the initial stage of investigation. It is argued that the allegations levelled in both cases essentially arise from the same set of banking transactions and, therefore, the subsequent registration of a separate FIR is itself a matter requiring consideration. It is contended that the petitioner, while serving as Director (Finance), HPGCL, was functioning within a well-defined administrative hierarchy and was not vested with the authority to independently take decisions regarding opening of bank

accounts or investment of public funds. According to learned Senior Counsel, the proposals were processed through various officers and ultimately required approval of the Managing Director and other competent authorities.

The Counsel further submits that the petitioner was neither a signatory to the bank accounts in question nor the custodian of the cheque books allegedly misused. The officials who opened and operated the accounts, handled the banking transactions and maintained custody of the relevant instruments have not been proceeded against, though they occupied a more proximate position in relation to the alleged transactions.

It is further argued that no material has surfaced during investigation to establish that the petitioner was a beneficiary of the alleged fraud. No money trail has been traced to him, no recovery has been effected from him and no documentary, electronic or forensic evidence has been brought on record showing transfer of any part of the alleged proceeds to the petitioner.

Referring to FIR No. RC2212026E0005, learned Senior Counsel submits that investigation therein stands completed and the challan has already been presented before the competent Court. Insofar as FIR No. RC2212026E0009 is concerned, it is submitted that the petitioner was arrested without issuance of notice under Section 35 of the BNSS and the allegations therein substantially overlap with those already under investigation in the earlier case.

It is also contended that the prosecution seeks to rely upon an alleged suicide note left by late Balwant Singh. Learned Senior Counsel submits that the evidentiary value and admissibility of the said document can only be determined during trial and, in any case, the present prosecution is not concerned with any offence relating to abetment of suicide.

Lastly, the Counsel argues that the petitioner has remained in custody since 18.03.2026, has already undergone custodial interrogation, and no further recovery is stated to be required from him. The case rests predominantly on documentary evidence already in possession of the investigating agency and, therefore, his continued detention serves no useful purpose.

On behalf of the complainant-Bank

Learned Senior Counsel appearing for the complainant-bank vehemently opposes the prayer for grant of bail and submits that the petitioner was an active participant in a large-scale conspiracy involving fraudulent diversion of public funds. It is argued that, while serving as Director (Finance), HPGCL, the petitioner facilitated opening of accounts with private banks in violation of Government norms and played a pivotal role in processing and approving proposals relating to transfer of substantial public funds into such accounts.

It is further contended that the petitioner was not acting in a routine official capacity, but consciously facilitated the transactions despite being aware of the irregularities. Learned Senior Counsel submits that when unauthorized transactions came to notice, the petitioner deliberately failed to report the matter to higher authorities, thereby aiding concealment of the fraud.

Reference is also made to the material collected during investigation, including the alleged dying declaration/suicide note of late Balwant Singh, to contend that the petitioner had obtained possession of the cheque book subsequently used for unauthorized withdrawals and had intimidated subordinate officials when attempts were made to report the irregularities.

The counsel further submits that the investigation has disclosed receipt of illegal gratification by the petitioner from co-accused persons and, therefore, there is material to indicate that he was a beneficiary of the fraudulent

scheme and his release on bail may lead to tampering of evidence and material witnesses for trial.

Emphasizing the magnitude of the alleged fraud involving diversion of public funds running into several hundred crores of rupees and the position of trust occupied by the petitioner, counsel submits that no case for grant of regular bail is made out and both petitions deserve dismissal.

On behalf of the respondent-CBI

Learned counsel opposes the prayer for grant of bail and submits that investigation has revealed the involvement of the petitioner in a larger conspiracy relating to unauthorized banking transactions and diversion of public funds. It is argued that the role attributed to the petitioner cannot be viewed in isolation and has to be appreciated in the context of the concerted acts of various accused persons.

It has been submitted that investigation in FIR No. RC2212026E0009 is still underway and certain aspects concerning the flow of funds, role of beneficiaries and inter se involvement of the accused persons are yet to be fully unravelled. It is, therefore, argued that the petitioner does not deserve the concession of bail at this stage.

Referring to the alleged suicide note left by late Balwant Singh, an employee of the same organisation, the counsel contends that the same forms part of the material collected during investigation and prima facie indicates the petitioner's involvement in the events surrounding the fraudulent transactions. It is submitted that the deceased had allegedly attributed a specific role to the petitioner in relation to the misuse of cheque books and forged signatures. The evidentiary value of the said document, however, would be a matter for consideration during trial.

4. Analysis

Though we have heard the matter elaborately and also have narrated the contention of both sides in great detail including those which were urged on the merits of the matter we are conscious of the fact that in the instant appeal the consideration is limited to the aspect of regular bail sought by the petitioner under Section 483 of BNSS (Section 439 Cr.PC). While stating so, in order to put the matter in perspective it would be appropriate to take note of the observation made by us in the case of this very appellant **P. Chidambaram v. CBI , (2020) 13 SCC 791**, in Criminal Appeal No. 1603/2019 which reads as hereunder;

*"The jurisdiction to grant bail has to be exercised on the basis of the well-settled principles having regard to the facts and circumstances of each case. The following factors are to be taken into consideration while considering an application for bail:- (i) the nature of accusation and the severity of the punishment in the case of conviction and the nature of materials relied upon by the prosecution; (ii) reasonable apprehension of tampering with the witnesses or apprehension of threat to the complainant or the witnesses; (iii) reasonable possibility of securing the presence of the accused at the time of trial or the likelihood of his abscondence; (iv) character behaviour and standing of the accused and the circumstances which are peculiar to the accused; (v) larger interest of the public or the State and similar other considerations (vide **Prahlad Singh Bhati v. NCT, Delhi and another (2001) 4 SCC 280**. There is no hard and fast rule regarding grant or refusal to grant bail. Each case has to be considered on the facts and circumstances of each case and on its own merits. The discretion of the court has to be exercised judiciously and not in an arbitrary manner."*

Certain facts presented before this Court are not in dispute. The petitioner has remained in custody since 18.03.2026. Two FIRs concerning the alleged banking fraud are under consideration. Investigation in FIR No. RC2212026E0005 has admittedly been completed and the challan already stands presented, whereas investigation in FIR No. RC2212026E0009 is stated to be continuing. It is, however, not disputed that both FIRs arise out of the

same broad set of transactions involving opening and operation of accounts with private banks and the alleged diversion of public funds therefrom. The allegations, parties involved and the prosecution narrative in both cases are substantially overlapping.

A significant circumstance which cannot be overlooked is that insofar as the other FIR is concerned, the petitioner was arrested without issuance of notice under Section 35 of the BNSS. Though this Court refrains from expressing any final opinion on the legal consequences thereof, the said fact assumes relevance while examining whether continued custodial detention of the petitioner is warranted at this stage.

The principal allegation of the prosecution is that the petitioner was a beneficiary of the conspiracy and had received illegal gratification. However, despite extensive investigation and custodial interrogation, no money trail leading to the petitioner has been brought to the notice of this Court. No recovery has been effected from him and no bank account, property or asset has been identified as representing the alleged proceeds of crime. At this stage, the allegation of receipt of illegal gratification appears to rest primarily upon statements of certain witnesses claiming to have extended benefits in kind to the petitioner. The correctness, admissibility and evidentiary value of such statements are matters to be tested during trial. Presently, this Court does not find any tangible material demonstrating that the petitioner was a direct beneficiary of the alleged siphoned funds.

This Court also finds substance in the submission that the opening of the accounts and placement of public funds therein were not matters falling exclusively within the domain of the petitioner. The record indicates that the proposals ultimately required approval of the Managing Director. Significantly,

the Managing Director, whose approval forms part of the decision-making process, has not been arrayed as an accused. Equally, the petitioner is admittedly not a signatory to the account-opening forms. Various officials connected with operation of the accounts and processing of banking transactions have also not been proceeded against. Without commenting upon the merits of the prosecution case, these circumstances assume relevance while evaluating the precise role attributed to the petitioner for the limited purpose of bail.

The CBI has also relied upon an alleged suicide note left by late Balwant Singh. In the opinion of this Court, the evidentiary value, authenticity and legal effect of the said document are matters which can only be examined during trial after the parties are afforded an opportunity to lead evidence. Moreover, the present prosecution does not concern an offence under Section 306 IPC or any allegation of abetment of suicide. Therefore, while the document may form part of the material collected during investigation, this Court is not persuaded to treat the same as a determinative circumstance for denying bail in the present proceedings.

It is further not the case of the prosecution that any recovery remains to be effected from the petitioner or that his further custodial interrogation is necessary. The allegations are predominantly founded upon documentary and electronic evidence already collected by the investigating agency. Investigation in one FIR stands concluded and the petitioner has remained in custody for a considerable period.

The Supreme Court has repeatedly emphasized that even in economic offences, pre-trial incarceration cannot be prolonged as a matter of course and that the object of bail is to secure the presence of the accused during

trial and not to impose punishment before conviction. The Apex Court in “*Sanjay Chandra v. CBI*”, (2012) 1 SCC 40, observed that,

*“26. When the undertrial prisoners are detained in jail custody to an indefinite period, Article 21 of the Constitution is violated. Every person, detained or arrested, is entitled to speedy trial, the question is : whether the same is possible in the present case. There are seventeen accused persons. Statement of the witnesses runs to several hundred pages and the documents on which reliance is placed by the prosecution, is voluminous. The trial may take considerable time and it looks to us that the appellants, who are in jail, have to remain in jail longer than the period of detention, had they been convicted. It is not in the interest of justice that accused should be in jail for an indefinite period. No doubt, the offence alleged against the appellants is a serious one in terms of alleged huge loss to the State exchequer, that, by itself, should not deter us from enlarging the appellants on bail when there is no serious contention of the respondent that the accused, if released on bail, would interfere with the trial or tamper with evidence. We do not see any good reason to detain the accused in custody, that too, after the completion of the investigation and filing of the charge-sheet. This Court, in the case of *State of Kerala v. Raneef*, 2011(1) RCR (Criminal) 381 : 2011(1) Recent Apex Judgments (R.A.J.) 116 : (2011)1 SCC 784, has stated :-*

*“15. In deciding bail applications an important factor which should certainly be taken into consideration by the court is the delay in concluding the trial. Often this takes several years, and if the accused is denied bail but is ultimately acquitted, who will restore so many years of his life spent in custody? Is Article 21 of the Constitution, which is the most basic of all the fundamental rights in our Constitution, not violated in such a case? Of course this is not the only factor, but it is certainly one of the important factors in deciding whether to grant bail. In the present case the respondent has already spent 66 days in custody (as stated in Para 2 of his counter-affidavit), and **we see no reason** why he should be denied bail. A doctor incarcerated for a long period may end up like Dr. Manette in Charles Dicken's novel A Tale of Two Cities, who forgot his profession and even his name in the Bastille.”*

27. In 'Bihar Fodder Scam', this Court, taking into consideration the seriousness of the charges alleged and the maximum sentence of imprisonment that could be imposed including the fact that the appellants were in jail for a period more than six months as on the

date of passing of the order, was of the view that the further detention of the appellants as pre-trial prisoners would not serve any purpose.

*28. **We are conscious of the fact that the accused are charged with economic offences of huge magnitude. We are also conscious of the fact that the offences alleged, if proved, may jeopardise the economy of the country. At the same time, we cannot lose sight of the fact that the investigating agency has already completed investigation and the charge sheet is already filed before the Special Judge, CBI, New Delhi. Therefore, their presence in the custody may not be necessary for further investigation. **We are of the view that the appellants are entitled to the grant of bail pending trial on stringent conditions in order to allay the apprehension expressed by CBI.*****

Applying the aforesaid principles to the facts of the present case, this Court finds that the petitioner has remained in custody since 18.03.2026; investigation in the one of the FIRs stands completed, no further custodial interrogation or recovery is stated to be required. Thus, the apprehension of tampering with evidence or influencing witnesses can be adequately addressed by imposing suitable conditions. Consequently, balancing the seriousness of the allegations with the settled principles governing personal liberty and pre-trial detention, this Court is of the considered view that further incarceration of the petitioner would serve no useful purpose. The petitioner, therefore, deserves to be enlarged on regular bail.

Reliance can be made upon the judgment of the Apex Court rendered in “*Dataram versus State of Uttar Pradesh and another*”, 2018(2) R.C.R. (Criminal) 131, wherein it has been held that the grant of bail is a general rule and putting persons in jail or in prison or in correction home is an exception. Relevant paras of the said judgment is reproduced as under:-

“2. A fundamental postulate of criminal jurisprudence is the presumption of innocence, meaning thereby that a person is believed to be innocent until found guilty. However, there are instances in our criminal law where a

reverse onus has been placed on an accused with regard to some specific offences but that is another matter and does not detract from the fundamental postulate in respect of other offences. Yet another important facet of our criminal jurisprudence is that the grant of bail is the general rule and putting a person in jail or in a prison or in a correction home (whichever expression one may wish to use) is an exception. Unfortunately, some of these basic principles appear to have been lost sight of with the result that more and more persons are being incarcerated and for longer periods. This does not do any good to our criminal jurisprudence or to our society.

3. There is no doubt that the grant or denial of bail is entirely the discretion of the judge considering a case but even so, the exercise of judicial discretion has been circumscribed by a large number of decisions rendered by this Court and by every High Court in the country. Yet, occasionally there is a necessity to introspect whether denying bail to an accused person is the right thing to do on the facts and in the circumstances of a case.

4. While so introspecting, among the factors that need to be considered is whether the accused was arrested during investigations when that person perhaps has the best opportunity to tamper with the evidence or influence witnesses. If the investigating officer does not find it necessary to arrest an accused person during investigations, a strong case should be made out for placing that person in judicial custody after a charge sheet is filed. Similarly, it is important to ascertain whether the accused was participating in the investigations to the satisfaction of the investigating officer and was not absconding or not appearing when required by the investigating officer. Surely, if an accused is not hiding from the investigating officer or is hiding due to some genuine and expressed fear of being victimised, it would be a factor that a judge would need to consider in an appropriate case. It is also necessary for the judge to consider whether the accused is a first-time offender or has been accused of other offences and if so, the nature of such offences and his or her general conduct. The poverty or the deemed indigent status of an accused is also an extremely important factor and even Parliament has taken notice of it by incorporating an Explanation to section 436 of the Code of Criminal Procedure, 1973. An equally soft approach to incarceration has been taken by Parliament by inserting section 436A in the Code of Criminal Procedure, 1973.

5. To put it shortly, a humane attitude is required to be adopted by a judge, while dealing with an application for remanding a suspect or an accused person to police custody or judicial custody. There are several reasons for this including maintaining the dignity of an accused person, howsoever poor that person might be, the requirements of Article 21 of the Constitution and the fact that there is enormous overcrowding in prisons, leading to social and other problems as noticed by this Court in *In Re-Inhuman Conditions in 1382 Prisons*, 2017(4) RCR (Criminal) 416: 2017(5) Recent Apex Judgments (R.A.J.) 408 : (2017) 10 SCC 658

6. The historical background of the provision for bail has been elaborately and lucidly explained in a recent decision delivered in *Nikesh Tara chand Shah v. Union of India*, 2017 (13) SCALE 609 going back to the days of the Magna Carta. In that decision, reference was made to *Gurbaksh Singh Sibbia v. State of Punjab*, (1980) 2 SCC 565 in which it is observed that it was held way back in *Nagendra v. King-Emperor*, AIR 1924 Calcutta 476 that bail is not to be withheld as a punishment. Reference was also made to *Emperor v. Hutchinson*, AIR 1931 Allahabad 356 wherein it was observed that grant of bail is the rule and refusal is the exception. The provision for bail is therefore age-old and the liberal interpretation to the provision for bail is almost a century old, going back to colonial days.

7. However, we should not be understood to mean that bail should be granted in every case. The grant or refusal of bail is entirely within the discretion of the judge hearing the matter and though that discretion is unfettered, it must be exercised judiciously and in a humane manner and compassionately. Also, conditions for the grant of bail ought not to be so strict as to be incapable of compliance, thereby making the grant of bail illusory.”

Therefore, to elucidate further, this Court is conscious of the basic fundamental law that right to speedy trial is a part of reasonable, fair and just procedure guaranteed under Article 21 of the Constitution of India. This constitutional right cannot be denied to the accused as is the mandate of the Apex court in “*Hussainara Khatoon and ors (IV) v. Home Secretary, State of Bihar, Patna*”, (1980) 1 SCC 98. Besides this, reference can be drawn upon that pre-conviction period of the under-trials should be as short as possible keeping in view

the nature of accusation and the severity of punishment in case of conviction and the nature of supporting evidence, reasonable apprehension of tampering with the witness or apprehension of threat to the complainant.

5. **Conclusion:**

In view of the discussions made hereinabove, the petitioner is hereby directed to be released on regular bail in both the FIRs, on furnishing bail and surety bonds to the satisfaction of the trial Court/Duty Magistrate, concerned.

In the afore-said terms, both the petitions are hereby allowed.

However, it is made clear that anything stated hereinabove shall not be construed as an expression of opinion on the merits of the case.

A photocopy of this order be placed on the file(s) of connected case(s).

(SANDEEP MOUDGIL)
JUDGE

12.06.2026
anuradha

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No

