IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

109 **CRM-M-73660-2025 (O&M)**
Date of Decision: 19.05.2026

KAMALPREET SINGH **....Petitioner**

versus

STATE(DIRECTORATE GENERAL OF GST INTELLIGENCE) CHANDIGARH

..... Respondent

CORAM : HON'BLE MR. JUSTICE RAJESH BHARDWAJ

Present :- Mr. Nilesh Bhardwaj, Advocate with
Ms. Vanshika Daaria, Advocate and
Ms. Malini Singh, Advocate
for the petitioner.

Mr. Sourabh Goel, Sr. Standing Counsel for DGGI with
Ms. Deify Jindal, Advocate,
Ms. Anju Bansal, Advocate and
Ms. Geetika Sharma, Advocate for the respondent.

RAJESH BHARDWAJ, J.

CRM-6655-2026

This is an application filed under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023 for preponing the date of hearing of the main case from 12.03.2026 to an early date.

Learned counsel for the applicant-petitioner submits that he does not press the instant application as it has been rendered infructuous.

As such, the application stands dismissed as having been rendered infructuous.

CRM-M-73660-2025

1. Present petition has been filed for grant of regular bail in case No. IINT/COMP/3/2025-GROUP-E O/o ADG-DGGI-ZU-Chandigarh dated 11.09.2025 (Annexure P-1) under Section 132(1) (B) and 132(1) (C) read with Section 132(5) of the CGST Act, 2017 and Section 20 (XV) of

the Integrated Goods and Service Tax Act, 2017.

2. Succinctly the facts of the case are that the petitioner has been prosecuted by the respondent in a complaint case for the offence under Section 132(1)(b) and 132(1)(C) read with Section 132(5) of CGST Act, 2017 and Section 20(XV) of the IGST Act, 2017. It was alleged that on 11.09.2025 from about 7:20 PM to 10:20 PM, inspection under Section 67(1) of the CGST Act, 2017 was conducted by Investigating Agency in residential premises of applicant and registered addresses of nine firms, being operated upon by the accused. That during the course of investigation, pursuant to the said search, mobile phone VIVO Y28 5G, mobile phone VIVO Y29 5G, Laptop HP, HDD, 16GB Sandisk Pen Drive, 28 GB Sandisk Pen Drive, 32 GB Toshiba Pen Drive, Notepad, Miscellaneous Paper, Kotak Mahindra Bank Chequebook, Bhushan Computer Kanda, Notepad, Bank RTGS/NEFT Application Form, Hardik Dharamkanta, Indian Bank Passbook (Sh. Kamalpreet Singh), Canara bank Passbook (Sh. Kamalpreet Singh), HDFC Bank Chequebook, Karur Vysya Bank (Fateh Enterprises Chequebook), Bhodey Dharamkanta, Kotak Mahindra Bank (Chequebook of J R Iron Impex), 1 stamp of J R Iron Impex from the possession of the mother of the applicant/accused, who was present at the premises. It was alleged by the Investigation Agency, that the petitioner operated nine bogus firms, filed ineligible ITC in the sum of Rs.71.35 crores and passed on ineligible ITC in the sum of Rs. 72.77 crores. Hence, the petitioner has committed the offences under above-said sections and subsequently, he was arrested on 11.09.2025. Aggrieved by the same, the petitioner approached the Court of learned ASJ at Panchkula praying for grant of bail however, finding no merit, the same was dismissed after hearing both the sides by learned Additional

Sessions Judge, Panchkula vide order dated 04.12.2025. Hence, the petitioner is before this Court by way of filing of present petition for grant of bail.

3. Learned counsel for the petitioner has vehemently contended that the petitioner has been falsely and frivolously implicated by the respondent in the present case. He submits that the petitioner was allegedly orchestrating and operating multiple fictitious firms which availed and passed on fraudulent ITC to the tune of Rs 88.28 Crores. It is alleged that he facilitated issuance of fake invoices without actual supply of goods, enabling wrongful ITC claims across these dummy entities. It is submitted the petitioner had no proprietary or beneficial interest in any of the firms in question, and was merely engaged in an accounting/consulting capacity. As an accountant, his role was limited to preparing or filing GST returns and maintaining accounts as per instructions of the firms' operators. He was neither a director/partner nor shareholder of those entities, and derived no personal monetary gain from the alleged transactions. He submits that petitioner has been prosecuted for the offence under Sections 132(1)(b) & 132(1)(c) of Central Goods and Services Tax Act. He submits that the offences are compoundable under Section 138 of the CGST Act. That on 11.09.2025, the petitioner was summoned by GST authorities and was arrested upon appearance, purportedly under Section 69 of CGST Act. Since then, he has remained in custody. It is submitted that as per the provisions of Section 69 of the CGST Act, every person is to be provided with the ground of arrest in writing before effecting his arrest so as to apprise the petitioner of his ground of arrest, however, the same were not provided to the petitioner. Thus, his arrest is illegal in view of provisons of Section 69 of the CGST

Act. A complaint has been filed, the investigation is substantially complete and charge-sheet has been filed, thus the case is now at the stage of awaiting trial. It is further submitted that during searches and investigation, no incriminating documents or articles were recovered from the petitioner's possession, and moreover, no cash, property or illicit asset was seized from him that could indicate he amassed proceeds of the alleged fraud. All relevant GST records and invoices are already in the department's custody. It is submitted that the prosecution relies primarily on documentary evidence such as GST returns, invoices, and on certain statements recorded during inquiry and thus, the case planted against the petitioner is totally based upon the documentary and electronic evidence, therefore, the petitioner in the overall facts and circumstances of the case, deserves to be granted bail. That the petitioner has cooperated with the investigation to the best of his ability and has responded to all summons issued prior to his arrest. It is submitted that the petitioner was working as accountant for Mukesh Kumar @ Max, Jagtar Ram and Praveen Goel who are the partners and original conspirators in the present case. Jagtar Ram is a complainant and the complaint was primarily against the Praveen Goel and Mukesh Kumar @ Max. The petitioner has no role in the present case except the fact that he was working as an Accountant. He relied upon the judgments passed in **'SLP (Criminal) No.4349 of 2025' titled as 'Vineet Jain Vs. Union of India'; 'SLP (Criminal) No.10319 of 2022' titled as 'Ratnambar Kaushik Vs. Union of India' 'SLP (Criminal) No.8740 of 2024' titled as 'Ashutosh Garg Vs. Union of India; 'CRM-M-53422 & 62114 of 2025' titled as Jashanpal Singh and Another Vs. Union of India; 'CRM-M-8675 & 14956 of 2025' titled as 'Manish Kumar Vs. DGGI, Ludhiana'; 'CRM-M-38179 of 2025' titled as 'Manmohan**

4. Per contra, learned State counsel has opposed the submissions made by the counsel for the petitioner and submits that the petitioner is the principal architect of a well-orchestrated fake ITC racket involving at least 11 fictitious firms, resulting in wrongful availment and passing on of fraudulent ITC amounting to approximately 88.28 crores. It was further submitted that the petitioner exercised exclusive control over the email IDs and mobile numbers registered on GSTN for all such firms, used for OTP-based authentication for filing GSTR-1 and GSTR-3B returns, generating e-way bills, and modifying registrations. Device logs allegedly show several GST-linked email IDs accessible from the accused's two mobile phones. Searches at the accused 's residence yielded laptops, mobile phones, hard disks, pen drives, cheque books, invoices, GST registration material and voluminous digital records. Forensic analysis is stated to have revealed hundreds of invoices, thousands of OTP-based email communications, and GST registration forms of non-existent firms. It is submitted that out of ₹62,77,000/- has been credited to the personal bank account of the petitioner (A/c No. 7022409177 of Indian Bank) from accounts linked to the impugned firms, which, in the prosecution's submission, establishes monetary benefit and belies the assertion that the petitioner was merely a mere accountant or consultant with no involvement in the fraudulent firms. The said credit entries corroborate the prosecution's case that the petitioner was receiving commission or illegal consideration for operating the bogus entities and facilitating wrongful availment and passing of ITC. The presence of such large unexplained deposits strengthens the inference of conscious involvement and monetary gain. The investigating agency is also in the

process of tracing the proprietor of the remaining 11 bogus firms for initiation of appropriate penal action under the CGST Act, 2017. The present case is a text book example of "deep-rooted conspiracy" causing a massive loss to the public treasury. The accused, being the mastermind with comprehensive knowledge of the entire network and possessing access to its digital infrastructure, poses a severe threat to the integrity of the ongoing investigation. He submits that the amount for compounding of offences under Section 138 of the CGST Act, can be between 25% to 100% of the tax involved, and the payment of such compounding amount is determined by the Commissioner. He further relied upon the judgments passed in ***'P.V. Ramana Reddy Vs. Union of India, 2019(25) G.S.T.L. 185 (Telangana)'***,***'Badha Ram Vs. Intelligence Officer, Kerala GST Department Alappuzha, (2023) 13 Centax 239 (ker.)'***,***'Nimmagadda Prasad Vs. Central Bureau of Investigation, 2013 (3) SCC' etc***. ***and Arvind Kejriwal Vs. Enforcement Directorate (2024) 4 SCC 1.*** He thus, submits that no case for grant of bail to the petitioner, is made out and the present petition devoid of any merit, is liable to be dismissed.

5. This Court has heard counsel for the parties and perused the record. It is deciphered that the petitioner has been prosecuted for the offence under Section 132(1)(b) & 132(1)(c) of Central Goods and Services Tax Act. The allegation against the petitioner is that he has illegally evaded paying of tax. As per the reply filed, the petitioner has availed ITC amounting to Rs. 88.28 crores through atleast 11 ficitious/bogus firms, causing massive loss to the public exchequer. The investigation already stands completed as the complaint has been filed and charges have been framed. The allegations and counter allegations made are entirely the matter of trial. Custody certificate of the petitioner has

been filed which would show that he has suffered an incarceration of 06 months as on 11.03.2026 and further reflects that he is involved in one more case. The judgments relied upon by the learned counsel for the petitioner are relevant for the appreciation of the bail petition filed by the petitioner. However, in all its humility, there is no dispute regarding the judgments relied upon by counsel for the State, however, in the facts and circumstances of the same, the same are distinguishable.

6. In view of the facts and circumstances of the case and on the anvil of the law settled, finds that the learned counsel for the petitioner succeeds in making out a case for bail.

7. The veracity of the allegations would be assessed only after conclusion of the trial and on the appreciation of evidence to be led by both the parties before the trial Court.

8. The trial of the case will take sufficiently long time. Accordingly, the present petition is allowed and the petitioner is ordered to be released on bail on his furnishing bail/surety bonds to the satisfaction of the concerned trial Court/Duty Magistrate. Nothing said herein shall be treated as an expression of opinion on the merits of the case.

9. However, the trial Court is directed to conclude the trial expeditiously.

(RAJESH BHARDWAJ)
JUDGE

19.05.2026
pry

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