THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

Reserved on: 27.07.2026
Pronounced on: 29.07.2026
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1. CRM-M-12200-2026 (O&M)

ANKIT GOYAL

...Petitioner

Versus

DIRECTORATE GENERAL OF GOODS AND SERVICES TAX INTELLIGENCE, ZONAL UNIT, LUDHIANA

...Respondent

2. CRM-M-12204-2026 (O&M)

SANJEEV KUMAR @ SANJEEV GOYAL

...Petitioner

Versus

DIRECTORATE GENERAL OF GOODS AND SERVICES TAX INTELLIGENCE, ZONAL UNIT, LUDHIANA

...Respondent

Coram: Hon'ble Mrs. Justice Shalini Singh Nagpal

Argued by: Mr. P.S. Ahluwalia, Sr. Advocate
with Ms. Bhavi Kapur, Advocate and
Mr. Anish Kansal, Advocate for the petitioner(s).

Mr. Sourabh Goel, Special Public Prosecutor DGGI
with Ms. Anju Bansal, Advocate for respondent-DGGI.

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SHALINI SINGH NAGPAL J.

1. Both these petitions being interconnected, are decided vide this common order, common question of law and facts being involved.

2. Both petitions under Section 528 Bharatiya Nagarik Suraksha Sanhita, 2023 seek regular bail in case arising out of complaint No. DGGI/INV/GST/2889/2025- Gr D. dated 03.02.2026, under Section 132(1)(b) and Section 132(1)(c) of the Central Goods and Services Tax Act, 2017 read with Section 20 of the Integrated Goods and Services Tax Act, 2017. Reference to the facts is being made from CRM-M-12200-2026 titled ***Ankit***

Goyal Vs. Directorate General of Good and Services Tax Intelligence, Zonal Unit, Ludhiana.

3. It has been alleged that petitioner-Ankit Goyal in connivance with petitioner-Sanjeev Kumar @ Sanjeev Goyal created 26 fake firms using IDs of others obtained through fraudulent means. Fake GST invoices of ₹1161.10 crores approximately were issued and petitioners fraudulently availed fake input tax credits (ITC) in fake firms so created. They passed on the fraudulent input tax credits (ITC) of ₹176.24 crores appx. to various beneficiary firms and retained the resulting benefits in the form of commissions of 4-5%, which were deducted following cash withdrawals from one Anurag Bajaj, proprietor of M/s. Bajaj Enterprises. It is further alleged that petitioner-Ankit Goyal was the key person/master mind in the fraudulent availment and utilization of input tax credits (ITC) of ₹21.15 crores for the invoice value of ₹138.62 Crores appx. in respect of three firms i.e. (i)M/s. Patiala Oil and Fat, (ii) M/s. Shiv Shankar Enterprises and (iii) M/s. Shiva Enterprises, (in the name of himself and his family members), operated and controlled by him. By his *mala fide* action, he defrauded the Government exchequer to the tune of ₹197.39 crores appx. on the GST invoice value of ₹1299.75 crores appx. and, thus, committed offences under Sections 132(1)(b) and Section 132(1)(c) of the Central Goods and Services Tax Act, 2017 read with Section 20 of the Integrated Goods and Services Tax Act, 2017.

4. Learned Sr. counsel for the petitioners. Mr. P.S. Ahluwalia submits that petitioners were arrested on 07.12.2025 and 26.12.2025 respectively. Allegations against the petitioners relating to creation of 26 fake firms and availing fake input tax credits (ITC) were based on

documentary evidence and their further detention in custody was not required. There were substantial triable issues relating to proof of actual non-supply, admissibility and reliability of statement/electronic material, attribution of *mens rea,* which were to be tested in the trial. Learned counsel urged that petitioners were implicated on the basis of untested departmental narrative. Conclusions regarding non-existent suppliers were erroneously drawn and all issues relating to movements of goods, documentation and statutory ingredients of penal provisions would require adjudication. There was no seizure from the petitioners, nor any independent recovery. The complaint was accompanied by voluminous set of documents, thus, implying that the entire evidence had already been collected. Therefore, further incarceration of the petitioners was not warranted. Still further, he submits that the input tax credits (ITC) allegedly to be fraudulently availed by the petitioners was an investigative estimate and not a crystallized adjudicated liability. The material on record did not *prima facie* establish fraudulent availment/passing of input tax credits, conscious knowledge and intent. The evidentiary value of the material appended with the complaint was a matter of trial. At the stage of bail, the material relied upon by the department raised disputed questions of facts, requiring trial and forensic scrutiny. Primary custody of the records was with the department. The transactions, if any, were reflected in the GST portal data, bank account statement, e-way bill records and ledgers, which could not be tampered with by the petitioners, if they were released on bail. Petitioners were behind bars for a substantial period of time and their continuous custody was not justified, given the fact that the case was triable by Court of Magistrate and was punishable with imprisonment upto 05 years. Petitioners had deep roots in the society and undertook to appear before the Court on each and every date of hearing. Further, during the period of incarceration, petitioner-Ankit Goyal's wife delivered a male child and he could not be present at the time of child birth. Petitioners were willing to abide by whatever conditions may be imposed by the Court. He, thus, prayed that petitioners be enlarged on regular bail. Learned counsel for the petitioner relied upon ***Vineet Jain Vs. Union of India 2025(99)GSTL 129, Ratnambar Kaushik Vs. Union of India 2022 INSC 1254, Ashutosh Garg Vs. Union of India 2024(105) GST 572, Vipin Garg Alias Bindu Vs. State of Haryana 2023(69) GSTL 3*** to support his contentions.

5. Learned counsel for respondent-department has vehemently opposed the prayer for grant of regular bail arguing that petitioners were master minds, involved in wrongful availing and utilization of input tax credits (ITC) through fake invoices, without any actual receipt of goods or services in the three firms controlled, managed and operated by them. They were found involved in availing and passing of ITC through creation, management and operation of 26 bogus firms. They jointly created a syndicate of fake firms to avail, utilize and pass on fake ITC without actual supply of underlying goods/services. Various stamps lying in their premises were recovered during raid proceedings. Considering the quantum of the input tax credits (ITC) and the serious nature of allegations against the petitioners, the prayer for regular bail ought to be denied.

6. In ***Vineet Jain Vs. Union of India 2025(99) GSTL 129,*** in a case under Section 132(1) of the Central Goods and Services Tax Act, 2017, while deciding prayer for bail, the Apex Court observed as under:

> *"We are surprised to note that in a case like this, the appellant has been denied the benefit of bail at all levels, including the High Court and ultimately, he was forced to approach this Court. These are the cases where in normal course, before the Trial Courts, the accused should get bail unless there are some extra ordinary circumstances."*

7. Identical were the observations of Hon'ble Apex Court in ***Ashutosh Garg Vs. Union of India 2024(105) GST 572*** and ***Vipin Garg @ Bindu Vs. State of Haryana 2023(69) GSTL 3,*** which too related to offence punishable under Section 132(1) of the Central Goods and Services Tax Act, 2017**.**

8. In ***Ratnambar Kaushik Vs. Union of India 2022(10) WLC 271*** as well, the Apex Court, while considering the fact that investigation was complete and charge sheet was filed; that offence under Section 132(1) of the Central Goods and Services Tax Act, 2017 was punishable with imprisonment upto 05 years and fine; that accused had already undergone incarceration of 04 months; that completion of trial was likely to take time, directed release of the petitioner on bail.

9. Co-ordinate Benches of this Court also, in similar circumstances in ***Jashanpal Singh Vs. Union of India 2026 PHHC 014806, Mohit Singla Vs. Directorate General of Goods and Services Tax Intelligence 2026 PHHC 018368, Manish Kumar and Others Vs. Directorate General of Goods and Services Tax Intelligence and others 2025 NCPHHC 97148, Pawan Kumar and Others Vs. State of Punjab and Others 2025 NCPHC 73945, Manoj Gupta Vs. Union of India and Others 2025 NCPHHC 84887, Sarthak Jain Vs. Senior Intelligence Officer 2025***

NCPHHC 85931, Parteek Das Gupta Vs. State of Haryana and Another 2024 NCPHHC 46670, Amit Bansal Vs. State of Haryana 2024 NCPHHC 19173, CRM-M-64134-2023 titled ***Tejpal Singh Vs. Director General of Goods and Services Tax Intelligence and Another*** decided on **05.02.2024,** ***Sunil Mahlawat Vs. Central Goods and Services Tax 2023(68) GSTL 31, Shamim Akhtar Vs. Directorate General of Goods and Services Tax Intelligence 2023 NCPHHC 66070, Arvind Kumar Vs. Directorate General of Goods and Services Tax Intelligence, Amritsar 2025 NCPHHC 65125*** and ***Deepak Sharma Vs. State of Punjab and Another 2024 NCPHHC 104729*** have favourably considered the prayer for bail made by the accused.

10. The gravamen of the allegations against the petitioners is fraudulent availing of input tax credits (ITC), thus, causing loss to the government exchequer. Petitioners, who were operating and controlling three firms, in their names or in the names of their family members, allegedly availed and utilized ITC by creating 26 fake firms and defrauded the government exchequer to the tune of ₹197.39 crores. The case is based on electronic and documentary evidence, large majority of which has been appended with the complaint. The 26 witnesses sought to be examined are government officers. The offences for which the petitioners are being prosecuted, are punishable with maxmimum imprisonment of 05 years. Petitioner-Ankit Goyal is custody w.e.f. 07.12.2025 i.e. for the last 07 months and 19 days and petitioner-Sanjeev Kumar @ Sanjeev Goyal is in custody w.e.f. 26.12.2025 i.e. for the last 07 months and 02 days. Considering the nature of evidence sought to be led during trial and the status of the witnesses to be examined, chances of tampering with the

evidence or influencing the witnesses are negligible. Allegations levelled against the petitioners are to be tested at the time of trial. Both petitioners have no criminal antecedents and have roots in the society. Further incarceration of the petitioners, who are willing to abide by the conditions imposed by the Court is not warranted. As such, both petitions are allowed. Without a comment on merits of the case, petitioner(s) Ankit Goyal and Sanjeev Kumar @ Sanjeev Goyal are ordered to be released on regular bail subject to their furnishing adequate bail and surety bonds to the satisfaction of trial Court/Duty Magistrate and further subject to following conditions:

1. The petitioners will not tamper with the evidence during the trial.
2. The petitioners shall surrender their passport and will not leave the country without the permission of the Trial Court.
3. The petitioners will not change their residence without prior intimation to the Department and the trial Court.
4. The petitioners will not influence the prosecution witnesses.
5. The petitioners will furnish an undertaking by way of their affidavit(s) before the trial Court that they will appear on each and every date fixed, unless their presence is exempted by a specific order of the Court.
6. The petitioners shall not commit an offence similar to the one involved in this, which they are accused of, or for commission of which they are suspected of.
7. The petitioners shall not directly or indirectly coerce, induce, threaten or promise to any person acquainted with the facts of the case so as to dissuade him/ her from disclosing such facts to

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the Court or to any police officer or tamper with the evidence in any manner.

8. The petitioners shall not in any manner misuse their liberty.

9. Any infraction shall entail in withdrawal of the benefit granted by this Court.

Learned trial Court would, however, be at liberty to impose any other condition as may be deemed fit.

11. In case, the petitioners, fail to abide by the conditions, the respondent-department may seek cancellation of their bail.

12. Pending CRM(s), if any, also stand disposed of.

13. A photocopy of this order be placed on the file of other connected case.

(SHALINI SINGH NAGPAL)
JUDGE

29.07.2026
Ajay Goswami

Whether speaking/reasoned	*Yes/No*
Whether reportable	*Yes/No*