

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

CRM-M-16772-2022 (O&M)
Date of Decision:- 29.11.2022

Saurabh Sharad Srivastava

...Petitioner

Versus

Central Goods & Services Tax

...Respondent

CORAM: HON'BLE MR. JUSTICE GURVINDER SINGH GILL

Present: Mr. H.S. Brar, Senior Advocate with
Mr. Jivitish Singh Dosanjh, Advocate for the petitioner.

Mr. Anshuman Chopra, Senior Standing Counsel,
for the respondent.

GURVINDER SINGH GILL, J.

1. The petitioner seeks grant of regular bail in a complaint bearing No. COMA/49/2022 dated 12.4.2022 under Section 132 of the Central Goods and Services Tax Act, 2017.
2. As per the case of the complainant-department i.e. Directorate General of GST Intelligence (in short hereinafter referred to as the DGGI), the accused-firm has availed input tax credit to the tune of ₹5.65 crores from various non-existent suppliers, without receipt of goods. The firm of the accused i.e. M/s Saibro Industries had availed this input tax credit during the period from July, 2017 to November, 2020 and investigation revealed that most of the suppliers were not working from the registered premises. The status of GST registration in case of some suppliers was even found as cancelled. Some suppliers admitted during the course of investigation that they issued invoices without supply of goods. It is alleged that the accused has

committed the offence punishable under Section 132(1)(b)(c)(i)(3)(5) of the CGST Act, 2017, which is cognizable and non-bailable.

3. The learned counsel for the petitioner has submitted that the petitioner has falsely been implicated in the present case and that there is no evidence worth credence to connect him with the alleged offence which, in any case, is punishable for a maximum period of 5 years out of which the petitioner has already been behind custody since the last about 9 months. It has also been submitted that out of the amount allegedly availed fraudulently as input tax credit, i.e. amount to the tune of ₹5.65 crores, the department has already recovered back an amount of about ₹2.07 crores approximately and as such, the allegation stands scaled down to fraud of ₹3.6 crores approximately.
4. Opposing the petition, the learned counsel representing CGST has submitted that ample evidence has been collected during the course of investigation to substantiate that 23 bogus supplier firms were created by the petitioner himself and that at the time of registration of the said firms, the mobile number of the petitioner himself had been furnished and even the e-mail ID furnished therein is the same which is used by the petitioner himself and that as such, his complicity is clearly evident. The learned State counsel has, however, not disputed that the petitioner, as on date, has been behind bars since the last about 9 months and as on date only 2 prosecution witnesses have been examined during the course of pre-charge evidence.
5. This Court has considered rival submissions addressed before this Court.
6. Having regard to the facts and circumstances of the case and while noticing that the petitioner has been behind bars for a substantial period of about 9 months and that conclusion of trial is likely to consume time inasmuch as a

large number of prosecution witnesses have been cited and as on date only 2 out of the cited 37 prosecution witnesses have been examined in pre-charge evidence, further detention of the petitioner will not serve any useful purpose. As such, without commenting anything as regards merits, the petition is accepted and the petitioner is ordered to be released on regular bail on his furnishing bail bonds/surety bonds to the satisfaction of learned trial Court/Chief Judicial Magistrate/Duty Magistrate concerned.

29.11.2022

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(Gurvinder Singh Gill)
Judge

Whether speaking /reasoned

Yes / No

Whether Reportable

Yes / No