IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

(107+215)

CRM-5571- 2022 in/and
CRM-M-1315-2022
Date of Decision:-28.02.2022.

Ravinder Baweja

……Petitioner

Versus

Directorate General of Goods and Services Tax Intelligence

……Respondent

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

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Present: Mr. Vishal Aggarwal, Advocate for the petitioner.

Mr. Rajesh Sethi, Senior Standing Counsel with Ms. Varinder Kaur Warraich, Advocate for the Respondent.

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JASGURPREET SINGH PURI, J. (Oral)

CRM-5571--2022

CRM for placing on record correct and complete copy of impugned order Annexure P-4 is allowed as prayed for.

Annexure P-4 is taken on record.

CRM-M-1315-2022

This is a petition under Section 439 of Cr.P.C. for enlarging the petitioner on bail in a case in Complaint No.332 dated 27.09.2021 under Section 132 of the Central Goods and Services Tax Act, 2017 read with

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Section 132 of Union Territory Goods and Services Tax Act, 2017 read with Section 132 of State(s) Goods and Services Tax Act, 2017 and Section 20 of Integrated Goods and Services Tax Act, 2017.

Learned counsel for the petitioner has submitted that the petitioner has been falsely implicated in the present case and the petitioner is in custody since 25.07.2021. He submitted that as per the prosecution, they had collected some documents which had revealed that 6 entities registered as traders have passed on inadmissible Input Tax Credit (ITC) to the tune of approximately Rs.128.82 crores and that the petitioner was responsible for the same.

Learned counsel for the petitioner submitted that the petitioner is not associated in any manner with at least 03 of the entities out of the 06 entities which were subject matter of the present enquiry. He further submitted that there is no evidence that the petitioner was involved in the present case and that even otherwise also, the entire case is based upon documentary evidence and therefore, the petitioner be granted regular bail since no useful purpose will be served in case the petitioner is kept in custody for longer time.

On the other hand, Mr. Rajesh Sethi, learned Senior Standing counsel for the respondent has submitted it is a case where the petitioner was actively involved in managing day-to-day business of 06 entities which were based on inadmissible Input Tax Credit to the tune of approximately Rs.128.82 crores and the petitioner was responsible for and on behalf of the said entities. He further submitted that initially intelligence was received in the office of the complainant which indicated 02 entities namely, M/s

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Nymphaea Trademart Private Limited, Delhi and M/s Nymphaea Apex Private Limited, Delhi are passing on inadmissible Input Tax Credit by way of fraudulent means on the strength of invoices generated by these entities registered in the name financially weaker sections of society and the present petitioner, Mr. Ravinder Baweja is the master mind and main operator of these entities and during the course of investigation it was revealed that there were four more entities being operated by the present petitioner in a similar manner and therefore, the petitioner was actively involved in 6 entities and has indulged in passing on the benefit of ITC without any supply of goods by issuing bogus/goodless invoices. Thereafter searches were conducted at registered premises belonging to these companies and it was found that the registered business premises of the two companies were vacant/closed for long and the companies were not operating from these premises and the present petitioner namely, Mr. Ravinder Baweja was not found to be residing at the registered address. Further inquiry revealed that apart from these two firms, the petitioner had also incorporated some proprietorship/partnership firms in the name of Sh. Lal Singh and Sh. Surat as M/s P.S. Traders and M/s Apex Traders respectively, and M/s Global Suppliers as a partnership firm of both of them. Learned Standing counsel further submitted that the present petitioner and one Sh. Robin Gupta are the brains behind the modus operandi of running and managing dummy firms and are responsible for causing loss to the Government revenue amounting to Rs.128.82 crores in respect of these entities. The petitioner and Sh. Robin Gupta were the de facto owners of these entities which were not found to be working at the registered address. The petitioner was

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instrumental in fraudulent passing on the said Input Tax Credit to different firms/companies by way of merely issuing invoices without actual supply of goods and thus, defrauded the Government exchequer and the petitioner was the main perpetrators in respect of these companies.

Learned Senior Standing counsel further submitted that the petitioner along with Sh. Robin Gupta were main brains behind the fraud being committed upon the Government revenue and huge loss has been caused to the Government revenue. In this regard, he submitted that the material official witnesses are yet to be examined and the GIO is yet to be cross-examined and since the magnitude and gravity of the subject matter involved in the present case is very high and there is a likelihood in case the petitioner is enlarged on bail then, he may influence the witness or may abscond and therefore, he is not entitled for the grant of bail.

I have heard the learned counsel for the parties.

The allegations in the present petition are certainly having high magnitude involving about Rs.128.82 crores. According to the learned Senior Standing counsel, the material witnesses are yet to be examined. The apprehension expressed by the learned Senior Standing counsel that in case the petitioner is released on bail, he may influence the witnesses or abscond from justice cannot be ignored. At this stage, therefore, considering the gravity of the offence and the aforesaid circumstances, this Court is of the considered view that the petitioner is not entitled for the grant of regular bail.

Consequently, finding no merit, the same is hereby dismissed.

However, anything observed hereinabove shall not be treated

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as an expression of opinion on merits of the case and is only meant for the purpose of decision of the present petition.

(JASGURPREET SINGH PURI)
JUDGE

February 28, 2022.
sandeep

Whether speaking/reasoned:- Yes/No

Whether Reportable:- Yes/No

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