Crl.O.P.No.15815 of 2023

G.CHANDRASEKHARAN, J.

The petitioner, who was arrested and remanded to judicial custody on 01.06.2023 for the offences punishable under Sections 132(1)(c) of the CGST Act, 2017 in RR.No.19/2023 on the file of the respondent, seeks bail.

2. The learned counsel for the petitioner submitted that, petitioner is running two companies in the name of Sri Saravana Traders and Sri Murugan Iron and Steels. He has no connection with all the firms Viz., 1) Sri Sakthi Transport bearing GST Reg.No.33CRKPS3862D1ZN, 2) Sri Murugan Iron & Steels bearing GST Reg.No.33CRKPS3862D5ZJ, 3) Sri Saravana Traders bearing GST Reg.No.33CRKPS3862D2ZM, 4) Sri Sakthi Transports bearing GST Reg.No.33CRKPS3862D3ZL and 5) Sri Saravana Steels bearing GST Reg.No.33CRKPS3862D4ZK. However, this case was registered against him alleging that he availed ineligible Input Tax Credit (ITC) of Rs.10.22 Crores and

ineligible ITC from non existing components to the tune of Rs.5.75 Crores without actual supply of goods. The allegations made against the petitioner are totally false. He is judicial custody from 01.06.2023. Thus, he seeks bail.

3. In response, learned Special Public Prosecutor appearing for the respondent submitted that petitioner is the owner of the five firms Viz., 1) Sri Sakthi Transport, 2) Sri Murugan Iron & Steels, 3) Sri Saravana Traders, 4) Sri Sakthi Transports and 5) Sri Saravana Steels, registered under Goods and Services Tax (GST) Act, 2017. The petitioner's claim that he is concerned with only two of the firms in not correct. When he was questioned under Section 70 of the Central Goods and Services Tax (CGST) Act, 2017, to provide a list of companies registered under his PAN, he furnished the following answer:-

> "*I have total 5 companies registered on my PAN which are as follows:*
>
> 1) *33CRKPS3862D1ZN Sri Sakthi Transport*
> 2) *33CRKPS3862D5ZJ Sri Murugan Iron & Steels*
> 3) *33CRKPS3862D2ZM Sri Saravana Traders*

4) 33CRKPS3862D3ZL Sri Sakthi Transports

5) 33CRKPS3862D4ZK Sri Saravana Steels

Out of the total 5 companies, registration of 4 companies is in cancelled stage and only one i.e., M/s Sri Saravana Traders is active."

He also produced the details of registration of these firms in the Permanent Account Number (PAN) of the petitioner. Therefore, it is not open to the petitioner to contend that he is involved only with two of these firms.

4. As per the records produced, petitioner is the owner of these five firms. The allegations against the petitioner is that he is responsible for availing ineligible ITC of Rs.10.22 Crores and he is also responsible for availing ineligible ITC from non existing components to the tune of Rs.5.75 Crores without actual supply of goods. Petitioner has not paid the amount due from him and evaded the tax.

5. In the said circumstances, considering the fact that huge amount is said to have been cheated by the petitioner under CGST Act, 2017, and that investigation is not completed, this court is not inclined to grant bail to the petitioner.

G.CHANDRASEKHARAN, J.

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6. Accordingly, this Criminal Original Petition is dismissed.

26.07.2023

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