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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **CRL.M.C. 899/2024**

**COMMISSIONER OF THE CENTRAL GOODS AND SERVICE
TAX, SOUTH**Petitioner

Through: Mr. Harpreet Singh, Sr. SC with
Mr.Chander Kiran, Mr. Sameer
Gosain, Mr. Rabindra Prasad Sinha,
Mr.Pawan Kumar and Mr. Abhinav
Gupta, Advs.

versus

SANJEEV MALHOTRA & ANR.Respondents

Through: Mr.Sanjay Abott, Mr.Harsh Sethi,
Mr.Anant Nigam and Mr.Raghav
Luthra, Advocates

CORAM:
HON'BLE MR. JUSTICE ANISH DAYAL

ORDER
08.08.2024

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1. The present petition has been filed seeking cancellation of bail granted to the respondents *vide* order dated 24.1.2024 passed by the learned ASJ-03, Patiala House Court, New Delhi.
2. The accused was a director of M/s Best Buildwell Private Limited and the allegations are in relation to the years pertaining to 2017/2018, in that the accused company of which the respondent was a Director, filed input tax credit for firms which were found to be non-operational.
3. On 17.1.2024, the Department conducted a surprise search at the premises, however, neither any incriminating material nor any stock



discrepancy was found.

4. The accused/respondent later joined the investigation and was interrogated for 12 hours and was arrested on the same day. The transactions which are alleged by the Department are of the year 2017/2018. On this basis as also that the department itself has sought the judicial custody of the accused/respondent, the Trial Court reached a conclusion in favour of granting bail to the accused/respondent.

5. It is stated by the learned counsel for the Department that the bail was granted at a very early stage of the investigation and they did not have a chance for his custodial interrogation.

6. However, it is stated that inputs tax credits were claimed from firms which had no supplies and background checks was carried out for the said firms, which process is still undergoing, including that of the transporters as well.

7. In these circumstances, the Court is of the opinion that there is no purpose of cancellation of bail, considering it is already seven months since the accused/respondent has been granted bail and the investigation required for the offence of the nature is mostly documentary in nature, which the Investigating Agency would be able to procure.

8. It is also not asserted by the Department that accused has not co-operated or joined the investigation.

9. Counsel for the accused/respondent is present and states, on instructions, that they have duly joined the investigation, as and when summoned, and have complied with all the conditions as imposed *vide* order dated 24.1.2024, including the deposit of 10% of the alleged amount which was approximately Rs.7.29 Crores.



10. Needless to state that the accused/respondent shall continue to abide by the orders of the Trial Court and continue to join and co-operate with the investigation as and when required.

11. Accordingly, the present petition is dismissed. However, in case of any breach of conditions of the bail by the accused, the Department is at liberty to approach the Trial Court.

12. Order be uploaded on the website of this Court.

ANISH DAYAL, J

AUGUST 8, 2024

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