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IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

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CRM-M-68186-2025

Date of decision: 24th December, 2025

Radhey Shyam and another

...Petitioners

Versus

Assistant Commissioner, CGST Division, Hisar

...Respondent

CORAM: HON'BLE MRS. JUSTICE MANISHA BATRA

Present: Mr. R.S. Rai, Senior Advocate with
Mr. Gurmohan Singh, Advocate,
Mr. Pawandeep Singh, Advocate and
Mr. Anand V. Khanna, Advocate for the petitioners.

Mr. Saurabh Goel, Senior Panel Counsel with
Ms. Deify Jindal, Advocate for CGST.

MANISHA BATRA, J (ORAL):-

The petitioners who have been summoned as accused to face trial for commission of offences punishable under Sections 9 and 9-AA of Central Excise Act, 1944 (For short, '**Act, 1944**'), Sections 83, 89, 89(4) and 89(1)(a) of Finance Act, 1994 (For short, '**Act, 1994**') read with Section 174 of The Central Goods and Service Tax Act, 2017 (For short, '**CGST Act**') in complaint bearing CIS No. COMA/77/2024 titled as ***Assistant Commissioner, Central Goods Service Tax Commission, Division, Hisar vs. M/s Future Maker Life Care Private Limited and others***, are seeking indulgence of this

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Court for grant of regular bail.

2. The aforementioned complaint has been filed by the respondent on the allegations that an intelligence input was received in the office of Directorate General of GST Intelligence, (DGGI) to the effect that M/s Future Maker Life Care Pvt. Ltd. Company (For short, '***the company***'), was engaged in multi-level direct marketing by supplying various agricultural products, health products, textiles etc. through direct sellers and was not properly discharging its tax liability. It had also not filed its GST returns from March, 2018 onwards. An inquiry was initiated. Notices were issued to the petitioner No.1 who is Managing Director of the company. His statement under Section 70 of the CGST Act was recorded on 07.08.2018. He recorded his statement and asked time to submit some data but failed to respond subsequently. The premises of registered office of the company were sealed on 07.09.2018. The petitioner No.1 and petitioner No.2- who is Chairman-cum-Managing Director of the company were arrested. Inquiry/investigation was conducted, and it was revealed that during the period from January, 2015 till September, 2018, an amount of Rs. 29,59,46,96,250/- had been received by the company from direct sellers/its members towards membership, joining fee, charges for accessing the platform of the company/charges for allotting unique user ID, charges for participating or enrolling in business or other services called in terms of 'business support services'.

3. As per the statement recorded by the petitioner No.1, on receipt of payment from direct sellers, unique user IDs were allotted to them but

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invoices were issued only when goods were actually delivered to the direct sellers. The company was supplying taxable service of joining/enrolling members (direct sellers) in lieu of consideration of amounts of Rs. 3750/- or Rs. 7500/- in multiple transactions. The gross amount charged by the company and the petitioners was liable to service tax at the rate of 15% of supply of services but no service tax was paid. In fact, service tax amounting to Rs. 54,77,88,938/- during the period from October, 2016 to June, 2017, had not been paid. It was also revealed that the company did not take the mandatory service tax registration and failed to make a true and comprehensive disclosure of service tax liability owing to suppression thereby clearly violating the provisions of the Act, 1994 with a deliberate intent to evade payment of service tax which could be demanded along with the interest accrued thereon as well as penalty. The petitioners being directors of the company were also found to be liable for penal action.

4. As per the further allegations, show cause notices were issued to the petitioners. They were given opportunity of personal hearing by sending letters through e-mail or otherwise. The matter was considered by the adjudicating authority and demand as well as recovery of aforementioned amount of Rs. 54,77,88,938/- only as service tax payable during the period from October, 2016 to June, 2017 was confirmed and adjudicated upon. Penalty of Rs. 1,00,000/- each on the petitioners and Rs. 10,000/- on the company had also been imposed. Sanction was accorded to the complainant by Additional Director DGGI, Gurugram to launch prosecution.

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5. The petitioners surrendered on 10.11.2025 and were sent to Judicial Custody by the learned trial Court. They moved application for grant of regular bail which has been dismissed by the learned trial Court vide order dated 20.11.2025.

6. It is argued by learned counsel for the petitioners that they have been falsely implicated in this case. They voluntarily appeared in response to the bailable warrants issued against them. This is a complaint case and hence, custodial interrogation of the petitioners was not required. Nor the same has been done. All the offences for which they have been summoned are bailable in nature except offence under Section 89(1)(a) of Act, 1994. The case is based upon documentary evidence and all the documents are already available with the respondent. They are in custody since 10.11.2025. Their further incarceration would not serve any useful purpose. Their arrest is patently illegal. They are also not required for further investigation. They will not misuse the liberty of bail. There are no chances of their manipulating or tampering with the record. The respondent has already concluded the investigation which is primarily document based. Separate proceedings initiated by the department are going on. Learned Senior counsel while relying upon ***Satender Kumar Antil vs. Central Bureau of Investigation, 2021 (4) RCR (Criminal) 421***, has stressed that since the offences punishable under Section 89(1)(a)(ii) of Act, 1994 and under Section 9 of the Act, 1944 are punishable with imprisonment for a term which may extend to maximum 7 years, therefore, the petitioners on their surrender before the learned trial

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Court were entitled to be extended benefit of bail which has not been granted to them. With these broad submissions, it is urged that the petition deserves to be allowed.

7. The respondent has filed reply by way of affidavit. Learned counsel for the respondent has assiduously argued that the petitioners being Managing Director and Chairman-cum-Managing Director respectively of the company were in charge of and responsible to the company for conduct of its business, as per Section 9AA of the Act, 1944. As per the statement recorded by the software developer of the company as many as 32,86,123/- Active User Ids were generated by the company wherein amount of Rs. 29,59,46,96,250/- had been received by the company. This amount of money was falling under taxable service, however, after collecting the same from direct sellers in the form of membership fee, the petitioners had been evading liability to pay tax on the same though they were providing taxable service. The service tax payable included cess by the company and has been worked out to be Rs. 54,77,89,938/- which has not been paid. Allegations against the petitioners are quite serious in nature. There are chances of their misusing the liberty of bail by manipulating the digital or other record. They do not deserve to be extended benefit of bail simply because their custodial interrogation is not required.

8. It is also argued that the petitioner No.1 had initially appeared in response to the summons issued by the respondent but subsequently the petitioners did not lend any cooperation. They failed to furnish requisite

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record. They did not even join the adjudication proceedings thereby compelling the respondent to file this complaint. It is argued that since serious economic offences have been committed by the petitioners and their statutory liability runs in crores of rupees and involves public revenue and the petitioners had evaded process till long, therefore, the ratio of Satender Kumar Antil's case (supra) does not apply and the petitioners can not claim any benefit under category A. Accordingly, it is urged that the petition does not deserve to be allowed.

9. Rival submissions made by both the sides have been heard and considered.

10. In *Y.S. Jagan Mohan Reddy vs. Central Bureau of Investigation, 2013 (3) RCR (Criminal) 108 SC*, the Hon'ble Supreme Court while considering the issue of bail in case of economic offences, has observed that such offences constitute a class apart and need to be visited in a different approach in the matter of bail. As such offences are having deep rooted conspiracies and involve huge loss of public funds, they need to be viewed seriously and considered as grave offences affecting the economy of the country as a whole and thereby passing serious threat to the financial health of country and as such, while granting bail in such cases, the Court is to keep in mind the nature of the accusation, the nature of evidence in support thereof, the severity of the punishment which the conviction still entail, the character of the accused, the circumstances which are peculiar to the accused, reasonable possibility of securing the presence of the accused at the trial and

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larger interest of public/state and other similar considerations.

11. The petitioners who are admittedly Managing Director and Chairman-cum-Managing Director of the company respectively were found receiving huge amounts of money for taxable services provided. However, they are alleged to have failed to properly self-assess their actual service tax liability and to obtain service tax returns during the relevant period thereby contravening the legal provisions. Obviously they were the master minds and beneficiaries of entire scheme of duty evasion. Their liabilities have already been assessed and adjudicated to be of a sum of about Rs. 55 crores. The offences alleged against them are grave in nature. The petitioners are involved in as many as 49 FIRs which have been registered against them in different parts of the country for allegedly defrauding public persons. On perusal of material placed on record, it is apparent that they did not furnish the requisite record with the respondent despite receipt of show cause notices thereby compelling the adjudicating authority to adjudicate the matter. Liability to pay huge amount of service tax has been fastened upon them which they evaded. In ***Satender Kumar Antil's case(supra)***, the Hon'ble Apex Court had agreed with a caveat put by the respondent where the accused did not cooperate in investigation by not appearing before the investigating officer and not answering to the summons. In the instant case also, the petitioners have avoided joining the investigation proceedings. The act of evasion of tax about Rs. 55 crores amounts to commission of a serious economic offence constituting fraud on the economy of the country itself. These offences are to

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be considered as a class apart. Taking into consideration the gravity of the allegations, the involvement of the petitioners in 49 other cases, their act of delaying joining of proceedings in the matter since the year 2018, this Court is of the considered opinion that the petitioners do not deserve to be extended benefit of bail. Accordingly, the petition is dismissed.

12. It is, however, clarified that the observations made hereinabove shall not be construed as an expression of opinion on the merits of the case and shall not influence the outcome of the trial.

13. Since the main petition has already been decided, pending application, if any, is rendered infructuous.

[MANISHA BATRA]
JUDGE

24th December, 2025
Parveen Sharma

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|-------------------------------|---|----------|
| 1. Whether speaking/ reasoned | : | Yes / No |
| 2. Whether reportable | : | Yes / No |