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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **<u>CRL.M.C. 2116/2020</u>**

DIRECTORATE GENERAL OF GST INTELLIGENCE
.....Petitioner

Through: Mr. Satish Aggarwala, SCC through V.C.

versus

SUNNY JAIN .....Respondent

Through: Mr. Priyadarshi Manish, Mrs. Anjali Jha Manish & Ms. Madhuri Malegaonkar, Advs.

CORAM:
HON'BLE MR. JUSTICE AMIT MAHAJAN

<u>O R D E R</u>

% 26.05.2025

1. The petitioner / Department challenges the order dated 26.08.2020, passed by the learned Chief Metropolitan Magistrate admitting the respondent on bail.

2. The Department is essentially aggrieved that the respondent was admitted on bail after having spent only 13 days in custody.

3. Mr. Aggarwala, learned Senior Standing Counsel for the Department submits that huge amounts of tax evasion had been made by the accused companies which were controlled by the respondent. He submits that the allegations relate to the accused companies availing fraudulently input tax credit to the tune of ₹20 crores and claiming fraudulent IGST refund of more than ₹10 crores.

4. The learned Trial Court admitted the respondent on bail

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noting that he is in judicial custody since 17.08.2020 and the investigating agency had not sought the custodial interrogation at any stage.

5. The learned Trial Court also took note of the stand taken by the respondent that he had resigned from the accused companies between the period of 16.08.2016 and 20.08.2016 and a Form DIR 12 was also uploaded on the ROC Portal on 23.02.2017, that is, well before the Good and Services Tax Act, 2017 came into force.

6. The learned Trial Court, in the opinion of this Court, rightly noted that for the investigation in regard to allegations of evasion of GST, claim of false Input Tax Credit and IGST refund, the investigation agency has to only look at the records of the GST Department, Bank apart from other material and ample power has been given to the Investigating Officer to seize the said records. It was further rightly observed that the respondent is a permanent resident of Delhi and nothing has been placed on record to show his previous involvement or that he is a habitual tax offender.

7. It is pointed out that pursuant to the inquiry / investigation, the adjudication order has also been passed.

8. On being pointedly asked, it is informed that despite the fact that the investigation was taken up by the Department way back in the year 2020, no criminal complaint has been filed till date. Thus, even otherwise, had the respondent been in custody, he would have been entitled for default bail on the department not completing the investigation. It is not alleged anywhere that the respondent, pursuant to being admitted to bail, had misused the liberty.

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9. Therefore, I find no merit in the present petition. Therefore, the petition is dismissed.

AMIT MAHAJAN, J

MAY 26, 2025
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