

IN THE HIGH COURT FOR THE STATES OF PUNJAB AND
HARYANA AT CHANDIGARH

2026:PHHC:065146



CRM-M-18281-2026 (O&M)

Kuldeep Goyal

...Petitioner

Versus

Joint Commissioner Preventive
Central Goods and Services Tax and another

...Respondents

Sr. No.	Particulars	Details
1	The date when the judgment is reserved	21.04.2026
2	The date when the judgment is pronounced	28.04.2026
3	The date when the judgment is uploaded on the website	28.04.2026
4	Whether only operative part of the judgment is pronounced or full judgment is pronounced	Full
5	The delay, if any, of the pronouncement of full judgment, and reasons thereof	Not applicable

CORAM: HON'BLE MRS. JUSTICE MANISHA BATRA

Present:- Mr. Bipan Ghai, Senior Advocate with
Mr. Nikhil Ghai, Advocate
for the petitioner.

Mr. Naman Jain, Senior Standing Counsel
for respondent No. 1.

Mr. Roshandeep Singh, AAG, Punjab.

MANISHA BATRA, J.

1. Prayer in this petition, filed under Section 482 of Bharatiya
Nagarik Suraksha Sanhita, 2023 (*for short* 'BNSS'), is for grant of anticipatory
bail to the petitioner in pursuance of summons dated 11.03.2026, issued by the
respondent No. 1 under Section 70 of Goods and Services Act read with
Section 132 of the Central Goods & Service Tax Act, 2017 (*for short* 'CGST

Act’) with Section 20 of the Integrated Goods and Services Tax, 2017.

2. As per the allegations, in the year 2024, raids were conducted in the premises of M/s Ansh Steel Alloys, which is a firm under the control of the present petitioner a Karta of HUF, qua the purchases made during the assessment years 2019-20, 2020-21 and 2021-22. Summons under Section 70 of the CGST Act were issued to the petitioner giving directions to provide copies of purchase invoices, ledger accounts etc. of M/s Mahadev Multi Metals along with certain other documents on the allegations that the firm M/s Ansh Steel Alloys was involved in receipt of invoices through cancelled firms involving Input Tax Credit (*for short ‘ITC’*) to the tune of Rs. 35 crores. Qua the assessment year 2019-20, the quantified amount came to be Rs.30,52,350/-. An appeal is pending adjudication qua the said amount before the first appellate authority. Qua the assessment year 2020-21, proceedings were dropped and the proceedings initiated by way of issuance of show cause notice qua the amount quantified with regard to assessment year 2021-22 have been stayed by this Court in a Civil Writ Petition filed by the petitioner and others.

3. Since notice dated 11.03.2026 under Section 70 of the CGST Act has been issued to him by the office of respondent No.1 calling upon him to appear and produce certain documents as well as to record his statement, as such, apprehending that he would be arrested by the respondents, the petitioner moved an application for grant of anticipatory bail before the Court of learned Additional Sessions Judge, Fatehgarh Sahib, which was dismissed, vide order dated 30.03.2026.

4. It is argued by learned senior counsel for the petitioner that qua the notices issued for the previous assessment years, either the proceedings have been dropped, stay order has been passed by this Court or the appeal is

pending before the competent authority. On 11.03.2026, a raid was conducted in the premises of his firm on the allegations that his firm was involved in receipt of invoices from cancelled/fictitious firms. These receipts, which are valued at Rs.197.29 crores, are allegedly involving ITC worth Rs. 35 crores. It is argued that qua the proceedings, which have taken place or are pending for the aforementioned assessment years, no notice whatsoever could be issued against the petitioner/his firm in view of the abovementioned facts. With regard to subsequent assessment years, he is ready to join the investigation/inquiry. He is ready to produce all the relevant documents as desired by the respondents-authorities. The case is based on documentary evidence. His custodial interrogation is not at all required. No recovery is to be effected from him. No useful purpose would be served by detaining him into custody. The maximum punishment, which can be awarded under Section 132(1)(c) of the CGST Act is of 05 years and for that purpose, it is mandatory to issue notice under Section 35(3) of BNSS, which has not been issued to him. While placing reliance upon the observations made by Hon'ble Supreme Court in ***Radhika Aggarwal v. Union of India, 2025 SCC Online SC 449***, it is urged by learned senior counsel that the petition deserves to be allowed and the petitioner deserves to be given benefit of pre-arrest bail.

5. Reply has been filed on behalf of respondent No. 1. Learned Senior Standing Counsel for this respondent has argued that there are serious and specific allegations against the petitioner. His firm had wrongfully availed ITC to the tune of Rs.35 crores. Inquiry is being conducted in the matter. Notice has been served upon him for the purpose of such inquiry. The inquiry conducted so far has reflected *modus operandi* of the petitioner in the issuance and utilization of invoices unsupported by any actual underlying supply and

goods or services. His firm had been generating fake invoices for wrongful availment of ITC and onward passing of credit. The conduct of the petitioner throughout the course of inquiry/investigation conducted so far has been persistently evasive, non-cooperative and obstructive. Despite issuance of repeated summons under Section 70 of the CGST Act, he has willfully and deliberately failed to appear before the investigating authority, has refused to produce the documents and records as called for and is consistently avoiding meaningful participation in the statutory inquiry. He seeks to stifle the investigation or is preempting future coercive.

6. It is further argued by learned senior standing counsel for respondent No.1 that on 11.03.2026, a search was conducted after undertaking proper authorization from the competent authority. Seizure of some technical devices was effected for the purpose of ongoing inquiry, to ascertain the genuineness of the transactions, to identify the complete network of fictitious entities and to examine the role of the petitioner in orchestrating and facilitating the fraudulent schemes. The petitioner, without joining the investigation, has filed this petition, which is premature. Investigation which is being conducted at present has nothing to do with the recovery of tax through coercive means from the petitioner or to exert any pressure upon him to make any voluntary deposit. No threat of arrest has been communicated to him nor any coercive action has been exercised in any form. It is also argued that the case pertains to commission of a grave economic offence and anticipatory bail ought not to be granted in such like offences. It is also argued that the material facts have been concealed by the petitioner. Grant of anticipatory bail in such like scenario would inevitably empower the petitioner to tamper with the evidence, manipulate financial records, influence witnesses, thereby frustrating

the investigation. It is further argued that the petitioner, without complying with the mandatory requirement of responding to the statutory summons and without extending any genuine and meaningful cooperation in the investigation, has filed this petition to seek extraordinary relief of anticipatory bail, which does not deserve to be granted to him. There is no exceptional or sparing circumstance for allowing the petition and thus it is stressed that the same is liable to be dismissed. To fortify his arguments, learned Senior Standing Counsel has placed reliance upon the authorities cited as ***Hira Gobind Bhatia v. State of CGST, Ludhiana (2023) 10 Centax 52 (SC)***, ***Hira Gobind Bhatia v. State of CGST, (2023) 9 Centax 239 (Bom)***, ***State of Gujarat v. Chodamanai, (2023) 8 Centax 224***, ***Jitender Saharan v. Senior Intelligence Officer, (2026) 39 Centax 37 (P&H)***, ***Manjit Kumar v. Superintendent, (2022) 1 Centax 162 (P&H)***, ***Shanky Khurana v. State of Haryana (2024) 15 Centax 461 (P&H)***, ***Mahinder Kaur v. State of Haryana (2020) 41 GSTL 433 (P&H)***, ***DRI Goa v. Sanjay, Criminal Application (Main) no. 1168 of 2025***, ***Union of India v. Padam Narain Aggarwal, 2008 (13) SCC 305***, ***PV Ramana Reddy v. Union of India, 2019 SCC Online Tel 3332***, ***PV Ramana Reddy v. Union of India, 2021(2) SCC 784*** and ***Rajesh Gandhi v. Union of India (2024) 23 Centax 319 (Telangana)***.

7. This Court has heard the rival submissions.

8. On a perusal of the record, it is revealed that an inquiry was previously initiated against the firm of the petitioner, who allegedly availed fraudulent ITC to the tune of Rs.35 crores by generating fake invoices and by onwarding of credit to various recipients. With regard to assessment years, 2019-20, 2020-21 and 2021-22, summons under Section 70 of the CGST Act were issued to the petitioner and now summons under the same provision have

been issued on 11.03.2026 calling upon the petitioner to appear and to give evidence and produce purchase and sale ledger accounts, balance-sheets, ITR etc. and also to give reason for his willful absence from his residence on the date of search, which was conducted by the officials of the respondents on 11.03.2026.

9. Section 69 of the CGST Act confers statutory power upon the Commissioner to authorize arrest, where he has reason to believe that a person has committed an offence specified in Clauses (a)(2)(d) of sub-section (1) of Section 132 of this Act. Section 70 of the CGST Act empowers proper officer to summon any person whose attendance is considered necessary either to give evidence or to produce a document in any inquiry. It is under this provision that summons have been issued to the petitioner by the respondents. It is well settled that a person summoned under Section 70 of the CGST Act is not *per se* an accused protected under Article 20(3) of the Constitution of India and the prohibitive sweep of this article does not extend back to the stage of interrogation as observed in ***Radhika Aggarwal***'s case (supra). In ***Chodamanai***'s case (supra), the Hon'ble Apex Court had observed that a person summoned under Sections 69 and 70 of the CGST Act cannot invoke Section 438 of Cr.P.C. (*which corresponds to Section 482 of BNSS*) for grant of anticipatory bail at the stage of summons. It was observed that power to arrest a person is statutory in nature. Though, in ***Radhika Aggarwal***'s case (supra), it was observed that it is not necessary that an application for grant of anticipatory bail should be moved only after an FIR is filed, as long as facts are clear and there is reasonable basis for apprehending arrest and had also observed that the observations made in ***Chodamanai***'s case (supra) and some other cases as cited therein contrary to the aforesaid ratio should not be treated

as binding, but on a careful reading of **Radhika Aggarwal**'s case (supra), it is clear that the clarification given in paragraph No. 70 therein is confined to recognizing that the power to grant anticipatory bail is based on concrete and not vague allegations. In **Hira Gobind Bhatia**'s case (supra), the High Court of Judicature at Bombay, while dealing with a similar case, where the applicant had been served with summons under Section 70 of the CGST Act and apprehending his arrest, had filed a petition for grant of anticipatory bail, had observed that the applicant was involved in commission of an economic offence that had long term and far reaching ramifications on the financial health of the country and affected the national interest at large in various ways. It was further observed that considering the consequences of such economic offences that would befall society, such offences are of distinct class and fall under the category of grave offences since they affect the financial health of the country and hence, it was observed that they need to be investigated thoroughly. While further observing that the applicant therein had not cooperated with the investigation and the nature of the offences, it was held that his custodial interrogation was necessary. The observations so made by the High Court of Bombay were upheld by the Hon'ble Supreme Court in **Hira Gobind Bhatia v. State (2023) 10 Centax 52 (SC)** and the SLP filed by the applicant was dismissed.

10. In the instant case, there are specific allegations against the petitioner of wrongfully availing the ITC to the tune of a huge amount of money by showing fictitious transactions and on the basis of fake invoices. A raid was conducted in his premises on 11.03.2026 and he has been asked to produce certain documents, which he has not produced so far. The inquiry is at its nascent stage. As per the reply filed by the respondents, the petitioner has

not cooperated with the inquiry conducted so far. Though, a petition for grant of anticipatory bail cannot be stated to be not maintainable in view of the observations made by the Hon’ble Supreme Court in **Radhika Aggarwal**’s case (supra), however, keeping in view the huge amount of money of govt. exchequer involved in the matter coupled with the fact that the petitioner does not appear to have cooperated with the inquiry conducted so far, as he has not appeared in pursuance to the summons issued to him under Section 70 of the CGST Act, the possibility of his misusing the concession of anticipatory bail, is granted, cannot be ruled out. The mere plea taken by the petitioner that he is ready and willing to cooperate with the inquiry does not serve any purpose in the peculiar circumstances, which show that he has not appeared before the proper officer. The nature of the offence as alleged to have been committed by the petitioner necessitates his custodial interrogation to facilitate effective investigation, for the purpose of unearthing the fraud in all facets. Any latitude may enable him to tamper with the evidence or manipulate the record by taking undue advantage of legal and procedural loopholes. Taking into consideration the aforementioned facts and circumstances, this Court is of the considered opinion that the petition does not deserve to be allowed as no exceptional or extraordinary circumstance has been made out in favour of the petitioner for grant of benefit of anticipatory bail to him. Accordingly, the same is dismissed.

11. It is made clear that the observations made hereinabove are only for the purpose of deciding the present petition and the same shall not be construed as an expression of opinion on the merits of the case.

28.04.2026

Waseem Ansari

(MANISHA BATRA)
JUDGE

Whether speaking/reasoned

Yes/No

Whether reportable

Yes/No