



IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

129

1)

CRM-M-53422-2025

Jashanpal Singh

... Petitioner(s)

Versus

Union of India

... Respondent(s)

2)

CRM-M-62114-2025

Preet Pal Garg

... Petitioner(s)

Versus

Union of India

... Respondent(s)

1.	The date when the judgment was reserved	19.01.2026
2.	The date when the judgment is pronounced	02.02.2026
3.	The date when the judgment is uploaded on the website	02.02.2026
4.	Whether only operative part of the judgment is pronounced or whether the full judgment is pronounced	Full
5.	The delay, if any, of the pronouncement of full judgment, and reasons thereof.	Not applicable.

CORAM: HON'BLE MR. JUSTICE SANJAY VASHISTH

PRESENT: Mr. Vinod Ghai, Sr. Advocate with
Mr. Atul Goyal, Advocate,
Mr. Arnav Ghai, Advocate,
Mr. R.S. Bagga, Advocate
for the petitioner(s) (in CRM-M-53422-2025).

Mr. Sant Pal Singh Sidhu, Sr. Advocate with
Mr. Udayveer Singh, Advocate
for the petitioner(s) (in CRM-M-62114-2025).

Mr. Sunish Bindlish, Sr. Advocate with
Mr. Viney Kumar, Advocate,
Ms. Sidhi Bansal, Jr. Standing Counsel
Mr. Parth Sharma, Advocate
for the respondent(s) – UOI.

SANJAY VASHISTH, J.

1. This common order shall dispose of CRM-M-53422-2025 and

CRM-M-62114-2025, as both the petitions arise out of the same complaint and involve common questions of fact and law. Since the issues involved in both matters are interconnected, they are being taken up together and decided by this common order. However, for the sake of convenience and clarity, CRM-M-53422-2025 is being treated as the lead case.

2. **CRM-M-53422-2025** has been filed by the petitioner – Jashanpal Singh, seeking the concession of regular bail in a complaint instituted under Section 132(1)(a & l) of the Central Goods and Services Tax Act, 2017, read with the corresponding provisions of the Punjab State Goods and Services Tax Act, 2017, punishable under Section 132(1)(i) of the CGST Act, 2017. The petitioner was arrested in the said complaint, and his application for grant of regular bail, namely B.A. No. 7643 of 2025, was dismissed by the learned Court below vide the impugned order dated 09.09.2025 (Annexure P-5), which has been assailed in the present petition.

3. **CRM-M-62114-2025** has been filed by the petitioner – Preet Pal Garg, also seeking the concession of regular bail in the same complaint case titled *“Union of India through Superintendent (Anti-Evasion), CGST Commissionerate, Ludhiana v. Sh. Jashanpal Singh and others”* (Annexure P-1). The said complaint has been filed under Section 132(1)(a & i) of the Central Goods and Services Tax Act, 2017, read with the corresponding provisions of the Punjab Goods and Services Tax Act, 2017, and is punishable under sub-clause (i) of Section 132(1) of the Act. The complaint is pending adjudication before the learned Chief Judicial Magistrate, Ludhiana.

4. Case of the respondent/complainant – Union of India, is that

petitioners and other co-accused had entered into agreements with overseas entities to handle overseas shooting and delivery of raw albums to the petitioners in India and for the said purpose, Rs.42.76 Crores were transferred by entities owned by petitioner – Jashan Pal Singh (in CRM-M-53422-2025) and Rs.299.51 Crores by entities owned by petitioner – Preet Pal Garg (in CRM-M-62114-2025) to the said entities. The import of such services satisfy the condition mentioned under Section 2(11) of the IGST Act, and therefore, it amounts import of services, ultimately delivered, utilized and consumed within the territory of India. Further, it is alleged that as per Section 7(4) of the IGST Act, 2017, supply of such services imported into the territory of India, **shall be treated to be supply of services in the course of interstate, trade or commerce.** Accordingly, the import of such services is deemed to be interstate supply of services, squarely attracting IGST liability, and that being the position, proprietor/partners of M/s Madox Production and M/s Diamond Crest Productions and the cumulative value of services imported without IGST under Reverse Charge Mechanism (RCM) for a total sum of Rs.299.51 Crores, resulting in evasion of Rs.53.91 Crores (which is substantially more than the threshold of Rs.5.00 Crores as per Section 132(1)(i) of the CGST Act). Petitioners are indulge in cognizable and non-bailable offences. Herein, petitioner – Jashanpal Singh has evaded the tax amount of Rs.7.69 Crores and petitioner - Preet Pal Garg has evaded the tax amount of Rs.53.91 Crores.

5. Broadly, the allegation is that petitioners/accused company were involved in supplying of services without issuance of invoice(s), as alleged in the complaint. Both the petitioners were arrested on 30th July, 2025, on

account of the offences punishable upto 05 years with fine.

6. Prime argument of the learned Senior counsel for the respondent/complainant is that further investigation in the case is still pending, therefore, to identify or investigate the potential involvement of other related entities, whose documents were found during search is presently going on.

Further submits that even the complaint has been filed because of time constraint, but the possibility of further investigation cannot be ruled out, and still it is open for the respondent/complainant to file supplementary report/additional complaint.

7. In support of his submissions, learned Senior counsel, placed reliance upon following judgments laid down by the other Subordinate High Courts and later on, the Hon'ble Apex Court:-

- (i) Basudev Mittal v. Union of India, (2023) 2 Gentax 291 (Chhattisgarh);
- (ii) Basudev Mittal v. Union of India, (2023) Gentax 295 (S.C.);
- (iii) Sandeep Goyal v. Union of India, 2020 (42) G.S.T.L. 190 (Raj.); and
- (iv) Sandeep Goyal v. Union of India, 2020 (36) G.S.T.L. 497 (S.C.).

Thus, in view of above, learned Senior counsel for the respondent/complainant – UOI, opposes the prayer for bail to the petitioner(s).

8. At this point, arguments of the petitioners' counsel seems very precise and satisfactory. He submitted that as per the 'memo of arrest', it is a case of non-deposit of GST on import of services and thus, is violation of

the governing Act and Rules.

9. Learned Senior counsel for the petitioner(s) further argued that there is no procedure in the BNSS, 2023 that without seeking permission from the Court, anytime further investigation can be conducted or the supplementary complaint can be filed. Undoubtedly, such a position is not there usually in the criminal cases, unless the granting of permission by the trial Court, where the proceedings are already in process. Thus, merely by assuming the indefinite speculation, concession of regular bail should not be denied to the petitioner(s).

10. Further clarifies that in the arrest memo dated 30th July, 2025 (Annexure P-1 in CRM-M-53422-2025) issues against the petitioner – Jashanpal Singh, there is nothing mentioned of committal of fraud or intentionally of not paying the tax amount. Thus, as per the ground mentioned in the arrest memo, maximum it is a case of non-payment of the tax amount. However, without involvement of any intention of committing fraud or cheating, as said allegation is completely missing in the ‘memo of arrest’ and intimation of ground of arrest.

11. In support of his contentions, learned Senior counsel relied upon (i) the recently passed order dated 28.04.2025, passed by the Hon’ble Apex Court in **Criminal Appeal No. 2269 of 2025**, titled as, “**Vineet Jain v. Union of India**”, (ii) this High Court judgment dated 28.07.2025, passed in **CRM-M-8675-2025 (O&M) & connected case**, titled as, “**Manish Kumar v. Directorate General, Goods & Service Tax Intelligence, Zonal Unit, Ludhiana**”, (iii) further this High Court judgment dated 26.05.2025, passed in **CRM-M-5987-2025 (O&M) & connected case**, titled as, “**Narinder**

Kumar Joshi v. Directorate General, Goods & Service Tax Intelligence", and

(iv) further this High Court judgment in "Sarthak Jain v. Senior Intelligence Officer", (CRM-M-27147-2025, D.O.D.: 15.07.2025) : 2025:PHHC:085931.

12. Heard.

13. Considering the submissions addressed by respective counsel for the parties and after going through the judgments cited by both the sides, as raised herein, in the present petition(s), I do not find it necessary to conduct a parallel trial for deciding the petition(s) filed u/s 483 of BNSS, 2023.

Applicability of the provisions of the Act, are also still subject matter of the trial. All the offences are triable by the Court of learned Magistrate and if at all, the guilt is found to be proved, it is punishable maximum for a period of five years. Chances of culmination of trial at early stage are not even remotely possible, once respondent/complainant itself is definite with its stand, whether the complaint filed by completing its enquiry or investigation or is a half cooked version, no purpose would be served by keeping the petitioners inside jail.

14. Petitioner(s) contention seems to be appreciable at this stage, because the issue of intentional evade of tax or defaulting in payment of the tax, is yet to be finalized by the trial Court, after framing of the charges. As pointed out by learned Senior counsel for the petitioner(s), in the 'memo of arrest' or grounds of arrest, said part is in fact missing. As far as allegations levelled by the respondent/complainant is concerned, though while opposing prayer for bail, learned Senior counsel for the respondent/complainant has contended the intentional evading of tax, and thus, committal of fraud by the

petitioner(s).

Whether the investigation has been completed by the Department or still going on, that cannot be considered a binding reason to curtail liberty of the petitioner(s), unless something in specific is pointed out by the respondent/complainant counsel, which is missing for this Court. Further, cases are triable by the Court of learned Magistrate with a maximum sentence of five years. It is yet to be proved by the respondent/complainant in the proceedings under the Act, whether there is any liability or not, and if at all, liability to pay GST is made out or not, or whether actually any fraud has been played by the accused (petitioners herein).

15. In **Vineet Jain's case** (*supra*), Hon'ble Apex Court took it seriously that once offense is triable by the Court of Magistrate and awardable sentence is also limited and the allegations are based upon the documentary evidences, it becomes a matter of right to question that despite the accused being inside jail for 07 months, why the bail could not be granted to the accused, until the allegations are proved

Similarly, in **Manish Kumar's case** (*supra*), wherein, there was an allegation of creating of 27 fake firms by the accused, yet by considering the submissions of the GST Department that investigation is still pending, concession of bail was extended to the accused. Brother Judge of this Court (Harpreet Singh Brar, J.), noticed that, '*Much to the concern of this Court, the empirical data makes it abundantly clear that securing a conviction and concluding the trial is not a matter of priority for the respondent as all its energy is devoted towards curtailing liberty of the prospective accused.*'

Even the view taken by the Hon'ble Apex Court in **Radhika Aggarwal v. Union of India and others**, 2025 SCC OnLine SC 449, was also followed by noticing that, *'normally it would be mandatory to conclude assessment proceedings under Section 73, 74 of the CGST Act before initiating criminal prosecution under Section 132 of the CGST Act. However, in exceptional circumstances, the same can be circumscribed after providing detailed reasons for the same.'*

In **Sarthak Jain's case** (*supra*) also, though allegation of evading of tax was there, but accused in the said case had remained inside jail for the considerable period and the offences being triable by the Court of Magistrate, was extended the concession of bail.

16. The judgments cited by learned Senior counsel for the respondent/complainant, would not be directly worth considering for deciding the instant bail petition(s), because nothing could be pointed out, if any element of fraud or cheating is directly involved in the present case.

Moreover, personal liberty of the petitioner(s) herein cannot be curtailed for indefinite period in view of **Radhika Aggarwal's case** (*supra*).

17. Judgments relied upon by learned Senior counsel for the respondent/complainant on the contention of the further investigation under Section 173(8) Cr.P.C. [S. 193(9) of BNSS, 2023], is premature at this stage. There is no such prayer or even application before the concerned Court in regard to the submission of the supplementary complaint/report.

In view of all the aforementioned circumstances, and more particularly, the offences in the case(s) in hand being triable by the Court of learned Magistrate, and already petitioner(s) herein are there inside jail for

about six months, this Court deems it appropriate to extend the concession of regular bail(s) to the petitioner(s).

18. Consequently, prayer made in the present petitions are **allowed**. Petitioners are ordered to be released on bail, subject to their furnishing bail/surety bonds to the satisfaction of the learned trial Court/ Chief Judicial Magistrate/ Illaqa Magistrate/ Duty Magistrate concerned, if not required in any other case.

19. Needless to observe that the petitioners shall not extend any threat and shall not influence any prosecution witness in any manner directly or indirectly.

20. Any of the discussion done and recorded here-above, shall not be construed as an expression of opinion on the facts of the case. Therefore, trial Court is expected to decide the case by taking an independent view, on the basis of evidence available on record, as expeditiously as possible in accordance with law.

Petitions stand disposed of.

Pending misc. application(s), if any, also stand disposed of.

(SANJAY VASHISTH)
JUDGE

February 02, 2026

J.Ram

Whether speaking/reasoned: *Yes/No*
Whether Reportable: *Yes/No*