IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

122

CRM-M-68325-2025 (O&M)
Date of decision: 24.02.2026

Saurabh Bansal

...Petitioner(s)

VERSUS

Directorate General of GST, Intelligence 51-D, Sarabha Nagar, Ludhiana

...Respondent(s)

CORAM : HON'BLE MR. JUSTICE VINOD S. BHARDWAJ

Present :- Mr. Bipan Ghai, Sr. Advocate with
Mr. Nikhil Ghai, Advocate for the petitioner(s).

Mr. Saurabh Goel, Special Public Prosecutor with
Ms. Himanshi Gautam, Advocate;
Ms. Geetika Sharma, Advocate for the respondent(s)-DGGI.

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VINOD S. BHARDWAJ, J. (Oral)

1. The instant petition has been filed for grant of regular bail to the petitioner(s) in case complaint bearing No.58610 dated 15.11.2025 under Sections 132(1)(a) and Section 132(1)(c) read with Section 132(1) of CGST Act, 2017 read with Section 20 of the IGST Act, 2017, which is pending before the Judicial Magistrate 1st Class.

2. Briefly summarized, the allegations levelled against the petitioner are to the effect that he had availed the benefit of input tax credit amounting to Rs.26.19 crores by producing fake invoices issued by non-existent/bogus firms without actual supply of any underlying goods whatsoever.

3. Learned Senior counsel for the petitioner contends that the respondent-Department had earlier issued a notice to the petitioner for

investigating into the allegations made in the complaint and that he had duly participated in the said proceedings. It is contended that the petitioner had made a specific deposition to the effect that the petitioner is a trader and that he had placed orders for goods to the broker and he was not aware of the source of such goods that were to be supplied. He further contends that even thereafter, the petitioner had appeared before the respondent-Department whenever he was called to explain the invoices. He contends that notwithstanding the same, after a lapse of more than 1 ½ year, the petitioner was taken into custody on 18.09.2025. It is contended that the complaint in question has been filed on 15.11.2025 and that pre-charge evidence is yet to be led by the respondent-Department/complainant. It is submitted that the matter is now fixed before the trial Court on 02.03.2026 and the petitioner has already undergone an custody of more than 5 months in a Magisterial trial. He further contends that no proceedings for seeking recovery of the benefit of input tax credit alleged to be availed wrongfully has been initiated by the respondent-Department so far. It is contended that criminal liability of the petitioner is yet to be determined and taking into consideration the period of actual custody already undergone by the petitioner coupled with the fact that the complaint is triable by a Court of a Magistrate, the petitioner be admitted to bail.

4. Learned counsel appearing on behalf of the respondent-Department contends that a detailed investigation had been conducted into the allegations of availing wrongful benefit of input tax credit by fraudulent means and it has transpired that numerous fake invoices have been generated by the petitioner reflecting no movement of any actual goods and infact the

vehicle number(s) furnished also either belong to non-existent vehicles or are registered against two wheelers. He contends that the same establishes that there was no real movement of any scrap, as is being claimed and that bogus invoices were generated by the petitioner to avail wrongful benefit of input tax credit. He, however, does not dispute that the petitioner has been in custody for more than 05 months and the case is still at the stage of pre-charge and is triable by the Court of a Magistrate.

5. The Hon'ble Supreme Court granted bail to the accused in the matter of '***Vineet Jain Vs. Union of India***' reported as ***2025 SCC Online SC 2331***, noticing that the accused therein had undergone an actual custody of 7 months and reflected no criminal antecedents. The Court also took note of the fact that the case of the prosecution was based on documentary evidence and was triable by the Court of a Judicial Magistrate. Considering that the maximum punishment prescribed under Section 132 (1) of the CGST Act is 5 years with fine, the Court observed that the accused should get bail unless there are some extra ordinary circumstances. Similar order was also passed in the matter of '***Ratnambar Kaushik Vs. Union of India'*** reported as ***2023(2) SCC 621.*** Reference is also made to the judgment dated 02.02.2026 passed by this Court in ***CRM-M-53422-2025*** titled as '***Jashanpal Singh Vs. Union of India***' and another connected matter.

6. Learned counsel appearing on behalf of the respondents do not dispute that the arguments of the respondents were taken into consideration by this Court in the matter of ***Jashanpal Singh*** (supra) and concession of bail was granted to the accused therein.

7. Having heard the learned counsel for the parties and taking into

consideration the aforesaid facts and circumstances, the judicial pronouncement as above, the period of actual custody undergone by the petitioner, nature of allegations against the petitioner and noticing that the complaint in question is triable by the Court of a Magistrate, I deem it fit to allow the instant petition.

8. Accordingly, the instant petition is allowed and the petitioner is ordered to be admitted to regular bail subject to his furnishing bail/surety bonds to the satisfaction of the trial Court/Duty Magistrate/Illaqa Magistrate concerned.

9. It is made clear that the petitioner shall not extend any threat and shall not influence any prosecution witness in any manner directly or indirectly.

10. The observation made hereinabove shall not be construed as an expression on the merits of the case and the trial Court shall decide the case on the basis of available material.

(VINOD S. BHARDWAJ)
JUDGE

24.02.2026
Mangal Singh

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No