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IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CRM-M-72731-2025
Reserved on: 11.05.2026
Pronounced on: 18.05.2026
Uploaded on: 19.05.2026

Asim Kumar

....Petitioner

versus

Union of India and another

..... Respondents

CORAM : HON'BLE MR. JUSTICE RAJESH BHARDWAJ

Present :- Mr. Himanshu Thakur, Advocate
for the petitioner (through V.C.).

Ms. Ridhi Bansal, Junior Standing counsel with
Mr. Vinay Kumar, Advocate and
Mr. Parth Sharma, Advocate for the respondents.

RAJESH BHARDWAJ, J.

1. Present petition has been filed for grant of regular bail during the pendency of trial in COMA-145/2025 dated 21.04.2025 titled as 'Central Goods & Service Tax Vs. Asim Kumar' for offences punishable under Section 132(1)(b), (c) & (1) of Central Goods and Services Tax Act, 2017 (CGST Act).

2. Succinctly the facts of the case are that the petitioner has been prosecuted by the respondent in a complaint case for the offence under Section 132(1)(b), (c) & (1). It was alleged that inspection u/s 67(1) of the CGST Act, 2017 of the premises of M/s Asim International Tradixim i.e. House Nos. 706/22 & 712/22, Shiv Ji Park, Ram Dharama Kante Wali Gali, Gurugram, Haryana, 122001 was conducted on 31.12.2024 and was found closed/non-operational. Thereafter, search u/s 67(2) of the CGST Act, 2017 was conducted on 20.02.2025 on the said premise. During search proceedings, stocks of goods were found at the

above said premises. On being asked about the purchase invoices of above said expired goods, Asim Kumar i.e. present petitioner informed that he does not have the requisite documents and those goods have been placed in the shop 3-4 days back. As Asim Kumar could not produce the necessary documents in respect of stock of recovered goods, the goods were seized under Seizure Memo vide form INS-02 dated 20.02.2025 and handed over the same to Asim Kumar-proprietor of M/s Asim International Tradixim. It was alleged that the proceedings of search were recorded in panchnama dated 20.02.2025 and Summons dated 20.02.2025 bearing DIN No. 20250252Z00000210821 were also issued to Asim Kumar for appearance in office of CGST Gurugram for tendering his statement and retrieval of data from the mobile phone recovered which was sealed from his custody, the said summon was received by Asim Kumar in person. Voluntary Statement of Asim Kumar s/o Narayan Singh was recorded on 20.02.2025. It was alleged that Asim Kumar could not produce any documents like invoice/e-way bills/ payment proofs etc. to ascertain the genuineness of the goods received from all of its suppliers and supplies effected to various recipients. Hence, Asim Kumar proprietor of M/s Asim International Tradixim (GSTIN: 06ATIPK8069L2Z1) was found to be involved in availing fraudulent input tax credit amounting to ₹ 66,60,13,889/- and further passing on fraudulently obtained input tax credit amounting to ₹66,64,82,685/- on the basis of bogus/fake invoices, without underlying supply of goods & services. Hence, Asim Kumar committed offences under the provisions of clause (b), (c) & (1) of sub-section (1) of Section 132 of the CGST Act, 2017 and subsequently, he was arrested on 21.02.2025. Aggrieved by the same, the petitioner approached the Court of learned Additional Sessions Judge, Gurugram praying for grant of bail, however, finding no merit, the same was declined after hearing both the sides by learned Additional Sessions Judge, Gurugram vide order dated 15.10.2025. Hence, the petitioner is before this Court by way of filing of present petition for grant of bail.

3. Learned counsel for the petitioner has vehemently contended that the petitioner has been falsely and frivolously implicated by the respondent in the present case. He submits that petitioner has been prosecuted for the offence under Sections 132(1)(b) & 132(1)(c) of Central Goods and Services Tax Act. He submits that the offences are compoundable under Section 138 of the CGST Act. It is submitted that as per the provisions of Section 69 of the CGST Act, every person is to be provided with the ground of arrest in writing before effecting his arrest so as to apprise the petitioner of his ground of arrest, however, the same were provided to the petitioner. It is submitted that arrest of the petitioner is thus, illegal in view of the provisions of Section 69 of the CGST Act. He submits that the petitioner is in custody from last more than 14 months, however, there is no material progress in the trial. He submits that no recovery is to be effected from the petitioner. He further submits that as per provisions of 132(1)(b) & 132(1)(c) of the CGST Act, in case the charges are proved against the petitioner, the maximum sentence he can be awarded is 05 years. He submits that the petitioner had already suffered an incarceration of more than 14 months. It is submitted that the petitioner has no criminal antecedents. It is further submitted that the charge sheet has also been filed before the trial Court. It is submitted that in all there are 04 accused in the present case and out of them, 03 accused are already on bail. It is submitted that the case planted against the petitioner is totally based upon the documentary and electronic evidence and thus, the

petitioner in the overall facts and circumstances of the case, deserves to be granted bail. He relied upon the judgments passed in **‘SLP (Criminal) No.4349 of 2025’ titled as ‘Vineet Jain Vs. Union of India’; ‘CRM-M-8675-2025’ titled as ‘Manish Kumar Vs. DGGI, Ludhiana’; ‘CRM-M-27147-2025’ titled as ‘Sarthak Jain Vs. Senior Intelligence Officer; ‘CRM-M-69856-2025’ titled as ‘Naveen Tayal Vs. CGST Faridabad’ and ‘Pankaj Bansal Vs. Union of India, 2024 7 SCC 576;.**

4. Per contra, learned State counsel has opposed the submissions made by the counsel for the petitioner and submits that the petitioner has committed a serious offence. She submits that case pertains to a large scale GST fraud involving fraudulent availment and passing on of Input Tax Credit (ITC) through bogus and non-existent firms, resulting in substantial loss to the public exchequer. She submits that during the search, petitioner failed to produce any purchase invoices, e-way bills or payment proofs in respect of the goods and stocks thus, the goods were seized and the Panchnama proceedings were duly recorded. She submits that 02 firms were created by the petitioner, namely, M/s Asim International Tradixim and M/s Glacier Global Solution, by using his fake IDs. She submits that the petitioner fraudulently availed ITC amounting to Rs.66,60,13,889/- from multiple non-existent and fake suppliers, whose registrations were subsequently found cancelled or suspended and further passed on fraudulent ITC amounting to Rs.66,64,82,685/- to various beneficiary entities without any underlying supply of goods or services. She submits that the petitioner failed to produce any proofs to establish the genuineness of inward or outward supplies. She submits that the judgments relied upon by learned counsel for the petitioner are irrelevant for the purpose of bail. She submits that the reliance upon ***Pankaj***

Bansal's case (supra) is misplaced, as the mandatory requirement of furnishing written grounds of arrest has been duly complied with in the present case. She further submits that the petitioner had earlier approached this Court by way of filing of **CRM-M-19372-2025** seeking quashing of arrest memo dated 21.02.2025, however, the same was dismissed for non-prosecution by this Court vide order dated 03.02.2026. She submits that the amount for compounding of offences under Section 138 of the CGST Act, can be between 25% to 100% of the tax involved, and the payment of such compounding amount is determined by the Commissioner. She further relied upon the judgments passed in ***'P.V. Ramana Reddy Vs. Union of India, 2019(25) G.S.T.L. 185 (Telangana)'***, ***'Badha Ram Vs. Intelligence Officer, Kerala GST Department Alappuzha, (2023) 13 Centax 239 (ker.)' and 'Nimmagadda Prasad Vs. Central Bureau of Investigation, 2013 (3) SCC' etc***. She submits that in all there are total 04 accused in the present FIR, out of which, 03 accused are already on bail, however, they are absconding now and necessary steps will be taken against them. She submits that there is every possibility that in case the petitioner has been granted bail, he would tamper with the evidences. She thus, submits that no case for grant of bail to the petitioner, is made out and the present petition devoid of any merit, is liable to be dismissed.

5. This Court has heard counsel for the parties and perused the record. It is deciphered that the petitioner has been prosecuted for the offence under Section 132(1)(b) & 132(1)(c) of Central Goods and Services Tax Act. The allegation against the petitioner is that he has illegally evaded paying of tax. As per the reply filed, the petitioner has availed ITC amounting to Rs.66,60,13,889/- from multiple non-existent

and fake suppliers. The investigation already stands completed as the complaint has been filed. The allegations and counter allegations made are entirely the matter of trial. Custody certificate of the petitioner has been filed which would show that he has no criminal antecedents. The maximum sentence prescribed for the alleged offence is upto 05 years and he is behind bars since the date of his arrest and thus, has suffered an incarceration of 01 year, 01 month and 07 days as on 27.03.2026. The judgments relied upon by the learned counsel for the petitioner are relevant for the appreciation of the bail petition filed by the petitioner. However, in all its humility, there is no dispute regarding the judgments relied upon by counsel for the State, however, in the facts and circumstances of the same, the same are distinguishable.

6. In view of the facts and circumstances of the case and on the anvil of the law settled, finds that the learned counsel for the petitioner succeeds in making out a case for bail.

7. The veracity of the allegations would be assessed only after conclusion of the trial and on the appreciation of evidence to be led by both the parties before the trial Court.

8. The trial of the case will take sufficiently long time. Accordingly, the present petition is allowed and the petitioner is ordered to be released on bail on his furnishing bail/surety bonds to the satisfaction of the concerned trial Court/Duty Magistrate. Nothing said herein shall be treated as an expression of opinion on the merits of the case.

(RAJESH BHARDWAJ)
JUDGE

18.05.2026
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Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No