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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CRM-M-36714-2018
Date of Decision : August 27, **2019**

Jatinder Manro .... Petitioner

Versus

Directorate General of Goods and Services Tax Intelligence .... Respondents

CORAM : HON'BLE MR. JUSTICE SHEKHER DHAWAN.

Argued by Mr. Akshay Bhan, Senior Advocate,
with Mr. A.S. Talwar, Advocate,
for the petitioner.

Mr. Chetan Mittal, Senior Advocate,
with Mr. Sunish Bindlish, Advocate,
and Mr. Mohinder S. Nain, Advocate,
for respondent.

SHEKHER DHAWAN, J.

Present petition under Section 439 of the Code of Criminal Procedure is for grant of regular bail in arrest and production application (Annexure P/1) filed by respondent under the provisions of Section 68 of Central Goods and Services Tax Act, 2017 (for short, "**the Act**") before the Chief Judicial Magistrate, Ludhiana.

2. The allegations against present petitioner, Jatinder Manro are that he is part of fraud by virtue of which fake sale invoices worth Rs.128 Crores were generated without supply of any material. The petitioner fraudulently availed and utilized input tax credit (ITC) of more than Rs.19.50 Crores on the basis of fake invoices without supplying the goods worth Rs.128 Crores. The address of M/s Pingashk Enterprises, 583/A,

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Lal Flats Bawana Industrial Area, Delhi, which is only a residential flat of 20 x 20 and on enquiry, it was found that the same was never rented out and the same was also business address of Sh. Radha Group of Industries, Delhi and its Proprietor, Sammy Dhiman is another co-accused. The total transactions in the bank accounts of Pingashk in Axis Bank, Mandi Gobindgarh was Rs.13,610/- and Rs.13,994/- (credit and debit respectively). The petitioner was summoned under Section 70 of the Act on 3.7.2018 and he got recorded his statement on 3rd and 4th July, 2018 wherein he had confessed that he fraudulently availed and utilized Rs.19.50 Crores against fake invoices of Rs.128 Crores approximiately. He remained present during the search operation on 3.7.2018 and his statement was recorded on the spot.

3. Learned senior counsel for the petitioner while arguing on the point of bail, contended that the petitioner has been falsely implicated in this case and he is in custody since 4.7.2018. No recovery is to be effected from the petitioner. Trial of the case still to take some more time. So, the petitioner be released from custody.

4. Learned senior counsel representing the petitioner opposed the application for bail on the ground that the petitioner is involved in a heinous case of fraud amounting to Rs.19.50 Crores and committed economic offence which constitute a class apart and such like culprits are required to be dealt with seriously and mere long custody during the period of trial is no ground for release of the petitioner on bail.

5. Having considered the submissions made by learned senior counsel for the parties and appraisal of record of this case file, this Court is of the considered view that though the petitioner is in custody since

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4.7.2018, but taking into account the fact that the petitioner is involved in a case involving fraud of Rs.19.50 Crores and the alleged offence is an ecnomic offence which requires to be dealt with seriously and mere long custody would not be a ground for releasing him on bail.

6. Similar matter was before Hon`ble Apex Court in **Nimmagadda Prasad Vs. Central Bureau of Investigation, (2013) 7 SCC 466**, wherein Hon`ble Apex Court observed as under :-

> "Economic offences constitute a class apart and need to be visited with a different approach in the matter of bail. The economic offence having deep rooted conspiracies and involving huge loss of public funds needs to be viewed seriously and considered as grave offences affecting the economy of the country as a whole and thereby posing serious threat to the financial health of the country."

7. Similar matter was also before Hon`ble Apex Court in **Y.S. Jagan Mohan Reddy Vs. Central Bureau of Investigation, 2013(3) R.C.R. (Criminal) 108,** wherein it was observed that bail should not be granted in such like cases of economic offences merely on the ground that the accused was in the jail for a period of one year.

8. Identical view as taken by Hon`ble Apex Court in **The State of Bihar & Anr. Vs. Amit Kumar @ Bacha Rai, 2017(3) R.C.R. (Criminal) 690.**

9. In view of the above, there is no merit in the present petition and the same stands dismissed.

(SHEKHER DHAWAN)
JUDGE

August 27**, 2019**
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Whether speaking/reasoned? : Yes
Whether reportable? : Yes

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