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**IN THE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH**

**CRM-M No.61814 of 2025
Date of decision: 14.01.2026**

Jitender Saharan ... Petitioner

Vs.

Senior Intelligence Officer, Directorate
General of GST Intelligence, Chandigarh
Zonal Unit ... Respondent

CORAM: HON'BLE MRS. JUSTICE MANISHA BATRA

Present:- Ms. Divyanshi Sharma, Advocate,
for the petitioner.

Mr. Naman Jain, Senior Standing Counsel,
for the respondent.

MANISHA BATRA, J. (Oral)

1. The present petition has been filed by the petitioner under Section 482 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (for short 'BNSS') seeking anticipatory bail in case No.DGGI/INT/625/2025-GR-D filed under Sections 132(1) (b), 132(1) (c) read with Section 132(5) of Central Goods and Services Tax Act, 2017 (**For short "Act, 2017"**) read with Section 20 (xv) of IGST Act, 2017 by Directorate General of GST Intelligence (For short "DGGI"), Chandigarh Zonal Unit.

2. As per the allegations, notice under Section 70 of Act, 2017

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was issued against the petitioner by the DGGI on the allegations that the investigation had revealed that four GST registered companies namely, M/s Pukhraj Packaging Solutions, M/s Sun Industries, M/s Pukhraj Packaging Solutions Private Limited and M/s Pukhraj Packaging Solutions had availed, utilized and passed on ineligible Input Tax Credit (ITC) in excess of the credit actually reflected in their respective GSTR-2B returns and issued invoices without any underlying supply of goods or services thereby availing ITC in illegal manner. The petitioner was acting as partner/director of two of these entities. On a comparative analysis of ITC reflected in the GSTR-3B and GSTR-2B as well as in the ITC ledger position, it was revealed that there was utilization of ITC to the extent of Rs.9.88 crores without any corresponding supply. The petitioner was found to be directly involved in the circulation of credit and fraudulent availment. It was also revealed that the above named firms were in fact non-existent at their registered addresses. On issuance of notice, apprehending his arrest, the petitioner moved an application for grant of anticipatory bail which has been dismissed by the Court of learned Additional Sessions Judge, Chandigarh vide order dated 14.10.2025.

3. It is argued by learned counsel for the petitioner that he has been falsely implicated by the respondent. Summons under Section 70 of Act, 2017 have been repeatedly being issued against him though neither any FIR is registered nor any complaint has been filed against him. His

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co-partner was arrested and has been extended benefit of default bail. He was partner in only two firms. He cannot be held vicariously liable for independent business venture of another partner. He had no financial decision making powers. He did not play any role in appointment of the Chartered Accountant. His custodial interrogation is not required. No recovery is to be effected from him. He is ready to join the investigation. It is, therefore, urged that the petition deserves to be allowed.

4. Reply has been filed by the respondent. It is argued by learned Senior Standing Counsel for the respondent that there are serious and specific allegations against the petitioner who was acting as a partner in M/s Sun Industries and Director in M/s Pukhraj Packaging Solutions Private Limited and was exercising control over financial and operational decision. He was responsible for day to day affairs of the above named concern and had been operating two other concerns which was inter linked through common proprietorship, financial flow and return filing pattern. ITC to the tune of Rs.8.24 crores has been wrongfully availed. Notice has been served upon him for the purpose of joining investigation. No ground for grant of pre arrest bail is made out in his favour. It is, therefore, argued that the petition does not deserve to be allowed.

5. This Court has considered the rival submissions.

6. Certain paragraphs of the reply filed by the respondent are relevant for the purpose and they are reproduced as under:-

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“3. THAT further investigation of suppliers to these firms revealed that M/s Supreme Metal Industries (07AETFS5433E1ZQ) had passed on ITC of approximately ₹1.77 crore, whereas its eligible ITC, as per GSTR-2A, was only ₹26.14 lakh. Nevertheless, this entity had declared ITC of ₹2.92 crore in GSTR-3B, thereby indicating that the majority of ITC availed and passed on by it was fictitious. On verification, the said entity was found non-existent at its registered principal place of business, and another unrelated company-M/s Spring Concept India Pvt. Ltd.-was found operating at the premises. The Director of that company confirmed that no such firm had existed there for several years.

4. THAT the investigation further established that M/s Sun Industries and M/s Pukhraj Packaging Solutions Private Limited had passed on the fraudulently availed ITC of ₹1.77 crore, together with the self-generated excess ITC of ₹8.24 crore, to various downstream recipients. It was evident that Sh. Jitender Saharan was a key decision-maker in the affairs of these firms and was directly involved in the fraudulent availment and circulation of credit.

5. THAT in order to conceal the disproportionate circulation of ITC and to create an appearance of legitimate inward supply, **two new GST registrations**-M/s Ram Enterprises (07AXSPA3815A1ZV) and M/s Deva Enterprises (07GOMPB4414K1ZU)-were fraudulently obtained. These entities issued invoices reflecting taxable value aggregating to **₹43.80 crore** (tax component exceeding **₹7.88 crore**) to the aforesaid four firms, despite having no business activity, infrastructure, or capacity to supply goods. Both these firms were subsequently found **non-existent** at their registered addresses.

10. THAT a detailed forensic examination of the mobile phone of **Sh. Parveen Kaushal** corroborated the findings of the investigation, revealing communications evidencing the deliberate

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passing of ITC without underlying supply, as well as the creation and circulation of fabricated invoices. The 117-page PDF recovered from his device listed multiple entities to whom invoices had been issued without any real supply.

11. THAT the acts committed by **Sh. Parveen Kaushal**, being Director/Partner in the firms, constitute **cognizable and non-bailable offences** punishable under Section 132(1) (b) and Section 132(1)(c), read with Section 132(1) (i) and Section 132(5) of the Central Goods and Services Tax Act, 2017, and are further punishable under Section 20(xv) of the IGST Act, 2017. The conduct of **Sh. Jitender Saharan**, who was responsible for the management and supervision of the firms, similarly attracts liability under the same provisions, as he knowingly availed and utilised ITC without underlying supply and passed on ineligible ITC far in excess of the credit legitimately available.

12. This investigation establishes a systematic, organised, and deliberate fraud involving the creation of non-existent entities, the generation of fabricated invoices, and the circulation of ineligible ITC amounting to several crores of rupees, resulting in substantial loss to the exchequer and attracting stringent penal consequences under the GST law.”

7. On a perusal of the above, it is apparent that there are specific and serious allegations against the petitioner who had allegedly managed two firms and floated fictitious firms thereby passing of fake ITC to the tune of Rs.8.24 crores by showing fictitious inward supplies and by issuing fake invoices. The inquiry is at its nascent stage. As per the reply filed by the respondent, the petitioner has not cooperated with the inquiry conducted so far. Huge amount of Government exchequer is involved.

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Proper and thorough inquiry is required to be conducted in the matter. There is possibility of petitioner's misusing the concession of pre arrest bail. Any latitude may enable him to avoid custodial interrogation, tamper with evidence or manipulate record by taking undue advantage of the legal and procedural loopholes. He may also influence the persons who are actually aware of the transactions and can also delay the investigation by avoiding his personal appearance. Keeping in view the aforesaid facts and circumstances, this Court is of the considered opinion that the petition does not deserve to be allowed. Accordingly, the same is dismissed.

8. It is, however, made clear that the observations made herein above are only for the purpose of deciding this petition and the same shall not be construed as an expression of opinion by this Court on the merits of the case.

(MANISHA BATRA)

JUDGE

14.01.2026

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Whether speaking/reasoned
Whether reportable

Yes/No
Yes/No