

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

1. CRM-M-40312-2019 (O&M)

Rajesh and another ... Petitioners

Versus

State of Haryana ... Respondent

2. CRM-M-250-2020 (O&M)

Manish ... Petitioner

Versus

State of Haryana ... Respondent

3. CRM-M-5051-2020 (O&M)

Satnarain ... Petitioner

Versus

State of Haryana ... Respondent

Date of Decision : 25.2.2020

CORAM: HON'BLE MR. JUSTICE GURVINDER SINGH GILL

Present:- Mr. Ankur Jain, Advocate for the petitioners
in CRM-M-40312-2019.

Mr. Rajinder Singh Rana, Advocate for the petitioner
in CRM-M-250-2020.

Mr. Aman Pal, Advocate for the petitioner
in CRM-M-5051-2020.

Mr. Deepak Sabherwal, Addl. A.G. Haryana and
Mr. Ashok Singh Choudhary, Addl. A.G. Haryana.

GURVINDER SINGH GILL, J.

1. This order shall dispose of the above mentioned three petitions filed on behalf of Rajesh, Inder Partap Singh, Manish and Satnarain seeking grant of

regular bail in a case registered against them vide FIR No.571 dated 4.6.2019 under Sections 419/420/467/468/471/120-B/259 IPC registered at Police Station Chandni Bagh, District Panipat.

2. The FIR in question was lodged at the instance of ASI Vinod Kumar wherein it has been alleged that on 4.6.2019 when he along with other police officials was present near grain market bridge for the purpose of patrolling, then a secret information was received to the effect that Rajesh Mittal, Inder Partap Singh and Manish make bogus firms and by transacting with bigger firms, they are getting huge amounts of money deposited in the account numbers of the said fake bogus firms so as to save GST and are thus causing huge loss to the State Exchequer on account of loss of revenue. The information was further to the effect that the said accused were moving about in a 'i-20' car bearing registration No.HR-06AJ-2474 along with laptops and were waiting for someone near T-point railway line grain market.
3. Pursuant to receipt of aforesaid information, the police swung into action and was able to apprehend the aforesaid accused Rajesh Mittal, Inder Pratap Singh and Manish. From the search of the car, the following articles were also recovered :-

- (i) Laptops;
- (ii) Cheque Books;
- (iii) Fake stamps of ETO;
- (iv) Fake rubber-stamps of DTC;
- (v) Files of bogus firms.

4. The aforesaid articles as well as the car in question was taken into possession. The car in question was found to be registered in the name of

Vipul Jindal, who happens to be 'jija' (brother-in-law) of Rajesh Mittal. During the course of investigation, the police was able to unearth the entire racket of evasion of GST. It was found that Rajesh Mittal was the kingpin who issued bogus bills purported to have been issued by one M/s Lalit Trading Company, which was infact out of business. Such bogus bills were issued in favour of 18 firms in respect of bogus transaction of sale of yarn. The said 18 firms had been got incorporated/registered by associating persons of the status of rickshaw pullers etc. and were not actually businessmen.

5. It was further found that in the bills issued by M/s Lalit Trading Company in favour of the said 18 bogus firms (non-functional firms), GST was also shown to have been charged.
6. During investigation, it further surfaced that the said 18 non-functional firms further issued bills in favour of 421 different industries based in Panipat and the said industries in Panipat in order to reflect expenditure in respect of their manufacturing processes and in order to lend credibility to their so called purchase of yarn made banking transactions in favour of said 18 firms and the amount so transferred through banking transactions used to be withdrawn from the bank accounts of the said firms and given back to those industries while retaining some percentage. Thus, in this manner, the industries of Panipat without actually incurring expenditure, used to reflect expenditure in their accounts and thus, also used to evade payment of a substantial amount of GST on the premises that the initial supplier i.e. M/s Lalit Trading Company had already charged the GST. The mastermind of

this entire racket was found to be Rajesh Mittal who used the name of the firm M/s Lalit Trading Company for the issuance of bogus bills in favour of 18 firms created and registered by him with the help of some ordinary persons (non-businessmen) for the purpose of showing transactions and the said 18 firms further reflected transactions with 421 industries of Panipat. The loss of revenue in terms of GST was assessed at about 80 crores.

7. Learned counsel for the petitioners have submitted that they have falsely been implicated in the present case and that there is no convincing evidence to show that the petitioner Rajesh Mittal was indeed the kingpin or the brain behind the entire scam or that he had associated the other accused including Manish and Inder Pratap Singh by getting their firms registered with the help of Satnarain so as to cause loss to the State revenue.
8. Learned counsel for the petitioner-Satnarain has submitted that he is an Advocate by profession and that his services had been hired by Rajesh Mittal for the purpose of getting some firms registered and he had rendered professional consultancy and assistance in the matter of incorporation/ registration of firms and had charged some nominal professional fee and thus cannot be said to be part and parcel of the alleged scam of evasion of GST.
9. The learned counsel for the petitioners have further submitted that it is a case of double jeopardy wherein the petitioners are also being prosecuted under Section 122 of GST Act wherein they have already been granted bail.
10. Opposing the petition, learned State counsel has submitted that although the present case is a case based on secret information but the factum of recovery

of bogus stamps, rubber stamps, cheque books and laptop containing incriminating data clearly points towards the guilt of the accused. The learned State counsel has further submitted that the evidence collected during investigation shows that the bogus 18 firms in question have been got registered by the main accused Rajesh Mittal wherein in case of many of the firms, his own mail-ID or phone number had been used. It has further been submitted that apart from providing his own mail-ID and phone number, he has been using a few other phone numbers and some mail-IDs as well.

11. The learned State counsel has submitted that as far as the proceedings under Section 122 of GST Act are concerned, the same can continue in addition to the prosecution under provisions of IPC and that in the case of Rajesh and Inder Partap Singh, they have been granted conditional bail only while Manish has been granted absolute bail. It has further been submitted that the purpose of Section 122 of GST Act is mainly to secure realization of tax which has been evaded and that in addition to proceedings under Section 122 of GST Act, the accused can be prosecuted for offences under Indian Penal Code if it is found that the accused have committed any cheating or forgery, as had been done in the present case.
12. I have considered rival submissions addressed before this Court. From the information collected by the police, the following information pertaining to 18 firms got incorporated/registered by the kingpin Rajesh Mittal apart from the firm M/s Lalit Trading Company, can be discerned :-

Sr. No	Trade Name	Owner Name	(i) Mobile No. at GST Portal & (ii) Mobile No. at Eway Bill Portal	(i) Email ID-at GST Portal & (ii) Email ID-at Eway Bill Portal	Taxable Value	Total Tax

1	M/s Soni Textiles	Sonia D/o Sabira	(i) 8607870002 (Sat Narayan) (ii) 8607870002	(i) panipat34@gmail.com (ii) panipat34@gmail.com	43,30,16,964	3,28,32,271
2	M/s Sri Rameshwaram International	Sangeet S/o Sabira	(i) 9050007237 (Sumit) 9992000974 (Inder) (ii) 9992000974	(i) rkmittal2011@gmail.com (ii) rkmittal2011rk@gmail.com	42,55,49,615	3,04,30,178
3	M/s Shree Balaji Wooltex	Inder Pratap Singh S/o Ramesh Chander	(i) 9050007237 (Sumit) 9034697683 (ii) 9034697683	(i) panipat34@gmail.com rkmittal2011rk@gmail.com (ii) rkmittal2011rk@gmail.com	32,05,51,590	2,24,46,239
4	M/s Radha Kanheya Export	Sumit S/o Raghunath Tiwari	(i) 9050007237 9050007238 (Rajesh Mittal) (ii) 9050007238	(i) rkmittal2011@gmail.com (ii) rkmittal2011@gmail.com	40,43,46,448	3,07,79,207
5	M/s Sidhi Vinayak Textiles	Amit Kumar Tiwari S/o Raghunath	(i) 9050007237 9053330888 (Inder) (ii) 9053330888	(i) rkmittal2011rk@gmail.com (ii) rkmittal2011rk@gmail.com	2,95,88,22,070	16,86,65,367
6	M/s Lalit Trading Company	Deepak Palaria S/o Ashok Kumar Palaria	(i) 9896100400 9416016769 (ii) 8708220742	(i) pardeepdawat@gmail.com (ii) shreeradha.spintex@gmail.com	4,60,84,13,746	26,65,71,793
7	M/s Shree Bankey Bihari Enterprises	Vipul Jindal S/o Ramvilas	(i) 8607870002 (Sat Narayan) 8199002006 (Vipul Jindal) (ii) 8199002006 (Vipul Jindal)	(i) panipat34@gmail.com vipuljindal1983@gmail.com (ii) vipuljindal1983@gmail.com	21,53,38,142	1,60,68,079
8	M/s Manish WoolTax	Shailendra Pratap Singh s/o Ramesh Chandra	(i) 9050007237 (Sumit) (ii) 9050007237	(i) panipat34@gmail.com rkmittal2011rk@gmail.com (ii) rkmittal2011rk@gmail.com	55,69,98,601	4,10,97,204
9	M/s Geeta Yarns	Gita D/o Mahaveer Singh	(i) 9992000974 (Inder) (ii) 9992000974	(i) panipat34@gmail.com rkmittal2011rk@gmail.com (ii) rkmittal2011rk@gmail.com	24,98,67,516	1,67,59,021
10	M/s R.K. Internationals	Rajiv S/o Inder Singh	(i) 9050007237 (Sumit) (ii) 9050007237	(i) ravindersaini92@gmail.com rkmittal2011rk@gmail.com	38,16,06,949	3,24,65,091

				(ii) rkmittal2011rk@gmail.com		
11	M/s Shree Bala Sundari Wooltex	Parveen S/o Prem	(i) 9992000974 (Inder) (ii) 9992000974	(i) vs567544@gmail.com (ii) vs567544@gmail.com	19,48,11,000	1,64,57,375
12	M/s Shree Hari Krishna Textiles	Shanti Devi D/o Hukam Chand	(i) 9992000974 (Inder) (ii) 9992000974	(i) vs567544@gmail.com (ii) vs567544@gmail.com	9,37,49,984	84,06,738
13	M/s Maa Karni Yarns	Ranjit Singh s/o Devi Singh	(i) 9812231939 (Ranjit) (ii) 9812231939	(i) maakarniyarns.mka@gmail.com (ii) maakarniyarns.mka@gmail.com	25,81,42,595	1,94,78,017
14	M/s Ridhi Sidhi Overseas	Shama Rani D/o Som Nath	(i) 8813064073 9992000974 (ii) 9992000974	(i) ravindersaini92@gmail.com rkmittal2011rk@gmail.com (ii) rkmittal2011rk@gmail.com	55,80,76,904	3,77,14,022
15	M/s Shree Ganesh Textiles	Shama Rani D/o Som Nath	(i) 8930213110 (ii) 8930213110	(i) ravindersaini92@gmail.com (ii) ravindersaini92@gmail.com	27,18,59,699	2,59,02,907
16	M/s Bala Sundri Textiles	Amit Kumar S/o Karnvir Singh	(i) 9992000974 (Inder) (ii) 9992000974	(i) panipat34@gmail.com rkmittal2011rk@gmail.com (ii) rkmittal2011rk@gmail.com	46,74,65,654	3,15,75,414
17	M/s Ansh Hospitality	Manish Kumar S/o Mahender Singh	(i) 9773520234 9992232605 (ii) 9992232605	(i) advocatesushil89@gmail.com manishkandholpnp@gmail.com (ii) manishkandholpnp@gmail.com	0	0
18	M/s Nirjala International	Nirjala D/o Ghan Sham	(i) 9050007237 (ii) 9876360892	(i) panipat34@gmail.com (ii) rkmittal2011rk@gmail.com	5,06,23,060	36,41,793

13. The aforesaid particulars would reflect that Rajesh Mittal has played an pivotal role in the entire scam for the purpose of incorporating 18 different firms wherein in a majority of the firms, his e-mail ID or phone number had been used. During the course of investigation, the police has been able to

collect evidence to the effect that bank transactions of withdrawal of ₹ 1,21,17,230/- was made in the account of M/s Ansh Hospitality between 23.1.2019 and 30.6.2019 and an amount of ₹ 1,21,21,881/- was deposited and for which the learned counsel representing Manish, owner of the said firm, could not furnish any justification as to on what count the said huge payments had been received and as to what articles had been supplied by him against the said payment. Similarly, during investigation, it was found that bank transactions of huge amount had been effected in the account of M/s Shree Bala Ji Wooltax. The learned counsel for the petitioner-Inder Partap Singh, owner of M/s Shree Bala Ji Wooltax, could not furnish any justifiable explanation as to on what count the said payment has been received, as the said firm was not found to be actually into business. The learned State counsel has informed that during investigation this fact had been confirmed that the aforesaid firms were not into business and that the amounts so received in their bank accounts had been withdrawn immediately and had infact gone back to the industries which had made the said banking transactions.

14. In view of the aforesaid discussion, the complicity of the kingpin Rajesh Mittal and also of Manish, owner of M/s Ansh Hospitality and of petitioner Inder Partap Singh, owner of M/s Shree Bala Ji Wooltax, is clearly evident. Keeping in view the enormity of the scam and the colossal loss caused to the State exchequer, which has lost GST, this Court does not find any ground for grant of bail. The petitions on their behalf, as such, are dismissed. As far as the petitioner Satnarain is concerned, it is not disputed that he is an

Advocate by profession. It appears that he had rendered his professional services and assistance for the purpose of incorporation of the firms. At this stage, it cannot be said that he had joined hands with Rajesh Mittal or was beneficiary of any amount other than his professional fee. In any case, since he has already been behind bars since the last about 8 months, his further detention will not serve any useful purpose. The petition on his behalf, as such, is accepted and the petitioner-Satnarain is ordered to be released on regular bail on his furnishing bail bonds/surety bonds to the satisfaction of learned trial Court/Chief Judicial Magistrate/Duty Magistrate concerned.

15. It is, however, clarified that none of the observations made above shall be construed to be an expression on merits of the main case.

25.2.2020

kamal

(Gurvinder Singh Gill)
Judge

Whether speaking /reasoned Yes / No

Whether Reportable सत्यमेव जयते Yes / No

