



2026:CGHC:12763

NAFR**HIGH COURT OF CHHATTISGARH AT BILASPUR****MCRC No. 1975 of 2026**

Vikram Mandhani S/o Late Rajesh Mandhani Aged About 28 Years R/o Block C-2, Flat No. 102, Golden Tower, Amlidih, Raipur, District Raipur C.G.

... Applicant**versus**

Union of India Through The Senior Intelligence Officer, Directorate General Of G.S.T. Intelligence (D G G I), Zonal Unit, Raipur, District Raipur C.G.

... Non-applicant

For Applicant : Mr. Virat Verma, Advocate

For Non-applicant/UOI : Mr. Maneesh Sharma, Advocate

Hon'ble Shri Ramesh Sinha, Chief Justice**Order on Board****17.03.2026**

1. The applicant has preferred this First Bail Application under Section 483 of The Bharatiya Nagarik Suraksha Sanhita (BNSS) for grant of regular bail, as he has been arrested in connection with Crime No. AD2212250057378B, dated 20.12.2025, Department- DGGI Zonal Unit Raipur, District – Raipur (C.G.), Police Station- Directorate General of Intelligence GST, Raipur, District- Raipur (C.G.) for the offence punishable under Sections 31(1), 35, 132 (1)(b) of CGST Act, 2017.

2. The case of the prosecution, in brief, is that the applicant has committed an offence by issuing fake invoices amounting to ₹8,57,15,507/- and fraudulently availing Input Tax Credit (ITC). In the present case, the Department conducted an investigation into M/s Prem Enterprises, a firm registered for the trade of steel goods, particularly examining its bank chain (supplier firms), including M/s Harendra Traders, M/s Modern Ventures, and M/s N.K. Enterprises. During the course of investigation, it was found that the applicant, in connivance with co-accused Aman Kumar Agrawal, was involved in the alleged activities, and from their possession, data retrieved from mobile phones revealed various Aadhaar cards, PAN cards, and SIM cards belonging to different individuals. It was further revealed that the applicant/accused was operating the email IDs declared in the names of such fake firms. Additionally, login credentials of GST and E-way bill portals relating to approximately 60 fictitious firms were also found. The investigation further indicates that, in order to lend a semblance of genuineness to the bogus transactions carried out through these fake firms, the amounts reflected in the fake invoices were routed through banking channels. Thus, although the applicant/accused is not the proprietor of M/s Prem Enterprises, he is alleged to have acted in concert with its proprietor, Aman Kumar Agrawal, in issuing bogus invoices in the names of fictitious firms and fraudulently availing ITC to the extent of approximately ₹8.57 crores, thereby deriving undue financial gain, hence, the present bail application.

- 3.** Learned counsel for the applicant submits that the applicant is innocent and has been falsely implicated in the present case, having no connection whatsoever with the alleged offence. It is contended that the essential ingredients of Section 132(1) of the CGST Act are not satisfied in the present case, as there is no material to show that the applicant has retained or derived any benefit from the alleged transactions, which is a sine qua non for attracting criminal liability under the said provision. Even as per the prosecution case, the alleged benefit, if any, is attributable solely to co-accused Aman Kumar Agrawal, thereby demolishing the very foundation of the case against the applicant. It is further submitted that the offence, being primarily of a fiscal and semi-civil nature, has already been subjected to recovery proceedings under the GST Act, and therefore, custodial detention of the applicant is unwarranted. The applicant has been in jail since 20.12.2025, the charge sheet has already been filed, and the trial is yet to commence, making further incarceration unjustified.
- 4.** It is further submitted that the investigation suffers from grave procedural irregularities and is vitiated by selective and biased prosecution. The GST Department has failed to identify or prosecute the actual beneficiaries or end users of the alleged fake invoices, while selectively targeting the applicant, thereby rendering the entire investigation arbitrary and incomplete. The charge sheet has been filed prematurely without completion of investigation, in violation of statutory provisions, with an apparent intent to defeat the applicant's right to default bail. It is also contended that the

applicant's mobile phone and SIM were unlawfully seized without following due procedure, and statements were obtained under coercion by forcing the applicant and others to sign blank papers, in violation of constitutional safeguards against self-incrimination. The entire case is based on circumstantial evidence, without any direct proof of involvement of the applicant, and no recovery has been effected from him.

5. He further submits that the applicant has no criminal antecedents, has cooperated with the investigation, and poses no risk of absconding or tampering with evidence. The applicant is the sole bread earner of his family and is burdened with significant familial responsibilities, including the care of his ailing mother, dependent sister, wife, and infant child. It is also submitted that the applicant is suffering from Thalassemia, and his wife is also medically vulnerable, requiring continuous care and treatment, which has been severely affected due to his incarceration. In such circumstances, continued detention of the applicant would cause irreparable hardship not only to him but also to his dependent family members. Accordingly, it is prayed that the applicant be enlarged on bail.
6. On the other hand, the learned counsel for the non-applicant/UOI opposes the bail application and submits that the applicant was fully aware of the actual nature of business of co-accused Aman Kumar Agrawal and knowingly participated in the creation and operation of multiple fake firms for issuance of bogus invoices without any actual supply of goods, with the intent to pass on fraudulent ITC and earn

commission. It is contended that the role of the applicant was not merely professional in nature, but he actively colluded with the co-accused in obtaining GST registrations on the basis of documents of unsuspecting persons, operating email IDs, maintaining GST and E-way bill login credentials, issuing fake invoices, and managing accounting records including commission sheets. Substantial material evidence, including ID-password sheets, tally data, excel sheets reflecting commission, SIM cards, and WhatsApp chats recovered from the applicant's mobile phone and laptop, clearly establishes his direct and deliberate involvement in the offence. It is further submitted that the applicant is a habitual offender, having been previously involved in similar activities, and despite having knowledge of such illegal operations, continued to engage in the same for financial gain.

7. It is further argued that the offence is a grave economic offence involving issuance of invoices of huge value causing significant loss to the Government exchequer, and the investigation with respect to the beneficiaries of fake ITC is still ongoing. The arrest of the applicant is based on cogent evidence and not on mere suspicion, and the charge sheet has been filed after due investigation incorporating all material evidence. Allegations of procedural violations, coercion, and incomplete investigation are denied, stating that the search and seizure were conducted strictly in accordance with law and in the presence of independent witnesses. It is also submitted that there is no question of double taxation, as liability would be imposed upon the actual beneficiaries who availed the fake ITC. Considering the active role of the applicant, the seriousness of the offence, and the likelihood of the applicant influencing witnesses, tampering with evidence, or

hampering the ongoing investigation if released on bail, it is prayed that the bail application be rejected.

8. I have heard learned counsel for the parties and perused the case diary.
9. Considering the facts and circumstances of the case, the nature of allegations, and the material placed on record, as well as the submissions advanced by learned counsel for both the parties, this Court finds that though serious allegations have been made regarding issuance of fake invoices and wrongful availment of ITC, but the role of the applicant is primarily based on documentary evidence already seized by the prosecution, and the charge sheet has been filed. The applicant is in jail since 20.12.2025, the trial is yet to commence, and no further custodial interrogation appears necessary. Moreover, the contention of the applicant regarding absence of direct evidence of personal gain and the case being largely based on circumstantial evidence cannot be ignored at this stage. In such circumstances, without commenting anything on merits of the case, I am inclined to grant regular bail to the applicant. Accordingly, the bail application on behalf of the applicant – **Vikram Mandhani** is allowed.
10. If the applicant, **Vikram Mandhani**, furnishes a personal bond in the sum of Rs.1,00,000/- with one solvent surety to the satisfaction of the concerned Court, he be released on bail involved in Crime No. AD2212250057378B, dated 20.12.2025, Department- DGGI Zonal Unit Raipur, District – Raipur (C.G.), Police Station-

Directorate General of Intelligence GST, Raipur, District- Raipur
(C.G.) for the offence punishable under Sections 31(1), 35, 132 (1)
(b) of CGST Act, 2017. Order shall be in force till disposal of the
case.

Sd/-

(Ramesh Sinha)
Chief Justice

Rahul Dewangan