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206 IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CRM-M-43074-2025
Date of decision: 07.11.2025

AMIT MEHRA

...PETITIONER

VERSUS

UNION OF INDIA

...RESPONDENT

CORAM: HON'BLE MR. JUSTICE SUBHAS MEHLA

Present: Mr. Saurabh Kapoor, Advocate with
Ms. Muskaan Gupta, Advocate;
Ms. Muskan Chauhan, Advocate and
Ms. Tanya Kumar, Advocate for the petitioner.

Mr. Rajesh Sethi, Sr. Standing Counsel with
Mr. Anshuman Sethi, Advocate for the respondent.

SUBHAS MEHLA, J. (ORAL)

1. The present petition has been filed seeking regular bail to the petitioners in Case No.442 of 2025 and File No.DGGI/INT/INTL/442/2025-RU-DGGI-SML dt. 01.05.2025 for offences under Section 132(1)(b) of the Central Goods and Services Tax Act, 2017 and punishable under Section 132(1)(i) of the Goods & Services Tax Act, 2017 and Section 20 (xv) of IGST Act, 2017.

2. As per the prosecution case, secret information was received regarding a firm named M/s Mefro Organic Limited, that it was availing ITC (Input Tax Credit) on the basis of goods-less invoices procured from 4 firms. Consequently, search was conducted in the premises of M/s Mefro Organic Limited as well as alleged supplier firms. During investigation, these 4 firms were found to be non-existent; further, the Directors and employees of M/s Mefro Organic Limited revealed that these good-less invoices were procured with the aid of Sh. Amit Mehra (present petitioner-accused), who was the



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proprietor of one of the four non-existent firms, named M/s Kavish Overseas, which was providing the good-less invoices to M/s Mefro Organic Limited. Accordingly, a search was conducted in two premises – residence of Sh. Amit Mehra, and residence of his accountant, Mr. Bunty Malhotra. During these searches, 1 mobile phone and laptop were recovered from Mr. Bunty Malhotra (allegedly given to him by Sh. Amit Mehra), 1 mobile phone and 1 laptop was recovered from Sh. Amit Mehra, as well as cheque books of numerous banks accounts with different banks, along with some stamps. In consequence of summons issued to petitioner -accused Sh. Amit Mehra, he appeared before the DGGI on 01.05.2025, and he made a statement, recorded between 01-02.05.2025, wherein he admitted to operating four bogus firms, and also issuing fake e-way bills; he also admitted to charging 1-2% commission on each of such transaction, and also named 9 additional bogus firms that dealt similarly in issuing of fake invoices. As per investigation at that point, a fraud of Rs. 32 crore in ITC was found pertaining to the four bogus firms. Accordingly, Sh. Amit Mehra was arrested on 02.05.2025 under Section 69(1) of the CGST Act, 2017. In the later course of the investigation, that the petitioner-accused was in fact operating 44 bogus firms, with goods-less invoices generated to the tune of Rs. 2,106 crores, thereby facilitating fake Input Tax Credit worth Rs.315.13 Crores.

3. Learned Counsel for the petitioner-accused Sh. Amit Mehra contended that there is no evidence to link the present petitioner to the beneficiary firms, nor any evidence to prove issuance of invoices of e-way bills by the petitioner. No investigation regarding the IP Address, or to trace any corroborative digital trail has been conducted by the Investigation Authority. Although both Sh. Amit Mehra and his accountant Mr. Bunty Malhotra were



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detained, but only the present petitioner Sh. Amit Mehra was arrested; and the documents and other records contained in the laptop recovered from Mr. Bunty Malhotra did not pertain to the business of the present petitioner, but to some other client of accountant Mr. Bunty Malhotra. The alleged invoices have not been issued by the present petitioner Sh. Amit Mehra, as he is not the proprietor of the firms concerned. Beneficiaries of the alleged goods-less invoices have not been arrested or made part of the investigation. All the electronic and physical records of the alleged transactions and invoices are already in the custody of the Investigation Agency, and further detention of the present petitioner will not serve any fruitful purpose, and the petitioner has clean antecedents. Hence, prayed for grant of concession of regular bail to the petitioner.

4. Learned counsel for the Respondent – Union of India, through Directorate General of GST Intelligence (DGGI), vehemently opposed the prayer of the petitioner to be granted regular bail. Ld. Counsel submitted that there is compelling evidence in record collected from the investigation so far, to show that the present petitioner is the master-mind behind a large-scale fraud involving the Input Tax Credit through creation of as many as 44 bogus firms, generating good-less receipts, and causing a huge loss of hundreds of crores to the public-exchequer. The statement made by the petitioner-accused has been corroborated by WhatsApp Chats. Present-petitioner was the de-facto owner of the firms from which goods-less invoices were issued. Transactions worth hundreds of crores were routed in multiple banks accounts held by the petitioner in names of fake firms, and were either withdrawn in cash or diverted to petitioner's or his family's personal accounts. During investigation, several firms, who were end-availers, admitted to availing fake ITCs through Sh. Amit Mehra, with commissions ranging between 6% to 12%; on the basis of these



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admissions, partial recoveries were made. The investigation is still on-going with respect to tracing accomplices through the financial trail, and if petitioner-accused is set free, he may influence the beneficiaries as well as other accomplices involved in the network of bogus invoicing. Hence, prayed for dismissal of the bail application.

5. Heard.

6. As per the facts and circumstances of the present case, as well as the arguments advanced by the Ld. Counsel for the parties, the present petitioner-accused is alleged to have set-up as many as 44 non-existent / proxy firms, thereby causing great loss to the public exchequer running into hundreds of crores rupees by passing on the benefit of fake Input Tax Credits through goods-less invoices. The allegations against the present petitioner are serious, and the alleged amount involved so far, as per the investigation is huge, i.e. Rs. 315.3 crores. Contentions of the petitioner raised in his defence are question of fact, which are to be decided by the Trial Court after collecting evidence from both the parties. Taking into consideration the huge amount involved, and on account of the present case being one dealing with economic offence, which constitute a class apart from ordinary offences, and invites far more stringent view while granting the concession of bail, in view of decision of the Hon'ble Supreme Court in **Y.S. Jagan Mohan Reddy v. Central Bureau of Investigation** [2013(3) RCR(Criminal) 108; 2013(7) SCC 439]:

“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



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offences affecting the economy of the country as a whole and thereby posing serious threat to the financial health of the country.”

7. Hence, this Court does not find favour with the petitioner's assertions.

Therefore, the instant petition is dismissed.

8. Nothing observed herein shall be construed to be an opinion on the merits of the case. The learned Court below is directed to proceed with the matter on its own merits, lest it may prejudice the trial.

07.11.2025
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(SUBHAS MEHLA)
JUDGE

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