



RAJASTHAN HIGH COURT

HIGH COURT OF JUDICATURE FOR RAJASTHAN

BENCH AT JAIPUR



S.B. Criminal Miscellaneous Bail Application No. 13655/2025
Manoj Kumar S/o Bhagwanaram, R/o Ward No. 4, Ramfora,
Ramsara 3Rwd, Hanumangarh (Raj.) (At Present Confined At
Central Jail, Jaipur).

-----Petitioner

Versus

State Of Rajasthan, Through Pp

-----Respondent

Connected With

S.B. Criminal Miscellaneous Bail Application No. 13782/2025
Jagdish S/o Amraram, Aged About 35 Years, R/o Near Water
Works, Ward No. 7, 10 R.d.w. Village Kherwal, Rampura
Ramsara, District Hanumangarh (Raj.), Present Near Johad,
Ward No. 2, Village Nanakpura, Tehsil And District Sirsa
(Haryana) (At Present Lodged In Central Jail, Jaipur).

-----Petitioner

Versus

Union Of India, Through Pp

-----Respondent

For Petitioner(s) : Mr. Naqvi Sehban Najib with
Mr. Jaswant Sharma
Ms. Morvi Jangid
Ms. Rabiya Mateen
Mr. Narendra Kumar

For Respondent(s) : Mr. Bharat Vyas, AAG assisted by
Mr. Jitendra Singh Poonia, Spl. PP DGGI
&
Ms. Neeti Jain Bhandari
Dr. Ajay Kumar, Addl. Director DGGI
Mr. G.K. Sudhakar, Asst. Director DGGI
Mr. Santosh Kumar Meena, Sr.
Intelligence Officer
Mr. Amit Sheokand, Intelligence Officer
Ms. Arti Sharma, PP
Mr. Rhishi Raj Singh Rathore, PP

HON'BLE MR. JUSTICE SAMEER JAIN

Order

1.	Arguments Concluded on:	03.12.2025
2.	Judgment Reserved on:	03.12.2025
3.	Full Judgment/Operative Part Pronounced:	Full Judgment
4.	Pronounced on:	6.12.2025

REPORTABLE



1. **SBCRLMB No. 13655/2025** is moved under Section 483 of Bhartiya Nagrik Suraksha Sanhita, 2023 (hereinafter referred to as "BNSS") assailing the rejection order dated 07.10.2025 passed by the learned Additional Sessions Judge No. 9 Jaipur Metropolitan-II, Jaipur, in Criminal Misc. Bail Application No. 211/2025 (CIS No. 2512/2025), wherein the regular bail application of the accused-applicant was rejected in connection with the offences under Section 132(1)(i) and 132(5) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "the CGST Act") in FILE No. DGGI/INT/INTL/702/2025, registered by DGGI Udaipur Regional Unit under the DGGI Jaipur Zonal Unit.

2. **SBCRLMB No. 13782/2025** is moved under Section 483 of Bhartiya Nagrik Suraksha Sanhita, 2023 (hereinafter referred to as "BNSS") assailing the rejection order dated 07.10.2025 passed by the learned Additional Sessions Judge No. 3, Jaipur Metropolitan-II, Jaipur, in Criminal Misc. Bail Application No. 206/2025 (CIS No. 2498/2025), wherein the regular bail application of the accused-applicant was rejected in connection with the offences under Section 132(1)(i) and 132(5) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "the CGST Act") in FILE No. DGGI/INT/INTL/702/2025, registered by DGGI Udaipur Regional Unit under the DGGI Jaipur Zonal Unit.

3. At the very outset, learned counsel appearing on behalf of the applicant-Jagdish submitted that the applicant is engaged in providing facilitation services pertaining to company registrations with online payment aggregators. It is the allegation



of the DGGI (Intelligence) that the applicant facilitated the onboarding of entities, namely M/s Invoestr Global Private Limited, M/s Involanding Games Private Limited, and M/s Chefbiz Spices Private Limited, with various online payment aggregators for the purpose of receiving online gaming revenues. It was further alleged that the aforesaid private limited companies collectively received transactions amounting to approximately Rs.45 Crores towards online gaming services without payment of GST. The alleged GST evasion, initially quantified at Rs.11.20 Crores, was subsequently revised upward in the final complaint dated 10.11.2025. It was also submitted that the applicants were arrested on 12.09.2025 and have remained in judicial custody since then. Learned counsel further contended that the applicant has been erroneously treated as a "deemed supplier" within the meaning and scheme of the CGST Act.

4. Learned counsel appearing for the applicants further submitted, cumulatively, that the alleged violations fall under the provisions of the CGST Act, 2017, wherein the maximum prescribed punishment is five years' imprisonment and the offences are triable by a Magistrate. It was argued that with the filing of the final complaint on 10.11.2025, the investigation stands concluded, and therefore, continued judicial custody of the applicants serves no further investigative purpose and amounts to unwarranted deprivation of liberty. It was asserted that the applicants have no direct culpability, being merely facilitators/aggregators who received commission for the services rendered. Learned counsel had also placed reliance on Clause 3.5 of the Finance Ministry Instruction No. 2022-23 (GST Investigation



Guidelines), stating that arrest is not warranted in cases of technical nature, particularly where the tax demand arises from divergent interpretations of law. Moreover, in the present matter, the methodology adopted by the department for computation of GST liability is fundamentally flawed and is already under challenge before the Hon'ble Supreme Court.

5. Concluding the contentions made insofar, learned counsel had relied upon a catena of judgments *inter alia*, **Vineet Jain Vs. Union of India (Supreme Court): 2025 Live Law (SC) 513, Nemichand Tatarwal Vs. Union of India (S.B. Criminal Misc. Bail Application (10278/2025), Mukesh Kumar Vs. State of Raj. (S. B. Criminal Misc. Bail Application (7921/2025), Vikas Jain Vs. State of Rajasthan (S.B. Criminal Misc. Bail Application (7080/2025), Amit Singhal Vs. State of Rajasthan (S.B. Criminal Misc. Bail Application (4413/2025), Rajiv Jindal Vs. The State of U.P. (@Special Leave Petition (Crl.) Nos. 13548-13550/2024), Vikas Sain Vs. State of Rajasthan (S.B. Criminal Misc. Bail Application (6773/2025), Ratnambar Kaushik Vs. Union of India (UOI), MANU/SC/1576/2022 & P. Radhakrishnan & Anr. Vs. Cochin Devaswom Board & Ors. 2025 Live Law (SC) 90.**

6. *Per contra*, learned ASG and learned Special Public Prosecutor have vehemently opposed the present bail applications, submitting that the amounts in question were received through various UPI IDs/VPAs, and upon scrutiny it was revealed that no GST had been paid thereon. It was further pointed out that the concerned private limited companies had filed NIL GST returns for



certain months and that their GST registrations had been suo motu cancelled. It was contended that the applicants have deliberately concealed the fact that GST evasion of approximately Rs.25.21 Crores has taken place, and that the total transactions involved are of an enormous magnitude, approximating Rs.90 Crores. Upon further investigation, it was established through cogent evidence that an admitted amount of around Rs.53.21 Crores was collected in the name of M/s Invoestr Global Pvt. Ltd., resulting in GST evasion of approximately Rs. 14 Crores. Additionally, a further sum of Rs.342.04 Crores was collected through VPAs of Chefbiz, Involanding, and Investr via payment intermediaries, leading to an additional GST evasion of approximately Rs.95.77 Crores.

7. It was further apprised to the Court that during the course of investigation initiated under Section 67(2) of the CGST Act regarding evasion of approximately Rs.25 Crores by the aforementioned companies, a search operation was conducted on 10.09.2025 at the declared business premises of M/s Chefbiz Spices Pvt. Ltd. as well as at the residential premises of its Directors, during which their statements were recorded. In their statements tendered under Section 70 of the CGST Act, the applicants admitted that they have incorporated the company but stated that its name had been fraudulently used for online money-gaming transactions. They also acknowledged having provided the company's credentials to one Jagdish alias "DJ Jaggi". During the further statements dated 11/12.09.2025, the applicants admitted to having exchanged credentials for certain commission amounts and stated that they had neither signed any contract nor applied



for onboarding the company with M/s Airpay Payment Service Pvt. Ltd. They, however, admitted to having onboarded five other companies with different payment aggregators in lieu of commission. It was additionally revealed that there had been communication with an individual saved as "Outman" in the mobile phone of applicant-Jagdish, who purportedly claimed to be a resident of China-Hong Kong.

8. It was also submitted that under Section 132(1) of the CGST Act, tax evasion exceeding Rs.5 Crores attracts punishment of imprisonment up to five years, and such offences are classified as cognizable and non-bailable. It was further contended that the applicants pose a potential flight risk and may evade the process of law if released on bail.

9. Having heard learned counsel for the parties, upon an assiduous scanning of the record, this Court is of a considerate view that prior to adjudication of the instant bail applications, the factual narrative as per the records made available is essential to be jot down; the same is as under:

9.1 That the applicants stand accused of facilitating the onboarding of M/s Invoestr Global Pvt. Ltd., M/s Involanding Games Pvt. Ltd. and M/s Chefbiz Spices Pvt. Ltd. with various online payment aggregators for receipt of online gaming revenues.

9.2 That the prosecution alleges that these companies received aggregate online receipts of approximately Rs.90 crores (of which admitted receipts of approx. Rs.53.21 crores in the name of M/s Invoestr and further amounts aggregating in the hundreds of crores through other VPAs) and that GST to the tune of many crores was evaded; the alleged tax demand was initially



quantified at Rs.11.20 crores and was revised in the final complaint dated 10.11.2025 to approximately Rs. 95.77 Crores.

9.3 That the applicants were arrested on 12.09.2025. Search operations, seizure of material and recording of statements under Section 70 of the CGST Act were carried out pursuant to an investigation initiated under Section 67(2).

10. Further, it is opined that the instant bail applications are liable to be dismissed at the threshold as, Section 132 of the CGST Act, prescribes penal consequences for specified offences and provides that, inter alia, where the amount of tax evaded exceeds specified thresholds (including the threshold of Rs.5 crores), the offence is cognizable and non-bailable and attracts imprisonment up to five years. Thence, it can be noted that the allegations disclose, on the face of the record, involvement in large-scale transactions and tax evasion substantially in excess of Rs.5 crores. Such allegations squarely fall within the non-bailable, cognizable limb of Section 132(1)(i) and attract the statutory rigour attendant to large-scale tax frauds. This is a potent and determinative factor against grant of bail.

11. The scheme of the Act therefore contemplates stringent penal consequences for large-scale tax evasion. Nonetheless, the proper officer is empowered under Section 67 to carry out inspection, search and seizure where there are reasons to believe that documents/goods relevant to proceedings are secreted; such powers were exercised in this matter (search on 10.09.2025 and recording of statements).

12. Moreover, *prima facie* evidence and admissions, the documentary and electronic material, search and seizure, and



statements recorded under Section 70 of the Act in which the applicants have, according to the record, admitted that the company names were used for the online gaming transactions and that credentials were given to a person identified as Jagdish alias "DJ Jaggi". The applicants are alleged to have admitted onboarding other companies for commission. These admissions and seized materials constitute cogent material which, at this stage, furnish a prima facie basis for the prosecution's case. Moreso, there is apparent risk of tampering with evidence and third-party intermediaries, as the allegation involves multiple payment aggregators, numerous VPAs/UPI IDs, massive electronic flows and foreign connection/communication (the record refers to an individual saved as "Outman" claimed to be resident of China-Hong Kong). In such cases there is a real and demonstrable risk that an accused released on bail may frustrate the probe, by deleting electronic records, influencing intermediaries, inducing witnesses or moving funds beyond the reach of Indian authorities particularly where prosecution has shown that registrations were cancelled and that there exist extensive third-party trails.

13. It is also noted that the applicants have approached the Court with unclean hands, and it is a settled principle of law that fraud vitiates everything. The applicants concealed the true scale of evasion (initial figures were revised upwards) and that admitted receipts and additional collections together amount to very large sums. Therefore, where concealment and deliberate obfuscation of transaction trails are apparent on record, it is neither prudent nor proper to release the accused at the interlocutory stage. Moreover, the possibility of the accused continuing to facilitate or to



coordinate with co-accused, domestic or foreign cannot be overlooked. Likewise, the presence of communications with a person who apparently claims foreign residence, the large sums involved and the ease of movement of funds through intermediaries create a realistic and not speculative possibility that the applicants may abscond to defeat prosecution.

14. The Hon'ble Supreme Court's jurisprudence in large commercial/economic frauds recognises that the gravity of the offence, the magnitude of the alleged misappropriation/evasion, the propensity to tamper with evidence (particularly where electronic/financial records and third-party intermediaries are involved), and the risk of suppressing or removing material from the jurisdiction are relevant considerations in granting or refusing bail. In the ratio encapsulated in **Sanjay Chandra v. CBI: (2012) 1 SCC 40**, it was opined that in matters of serious economic offences the Court has often sustained refusal of bail where the prosecution has made out a prima facie case and there is a real likelihood of interference with the investigation.

CONCLUSION:

15. In view of the foregoing facts and circumstances and taking note of the fact that in the ratio encapsulated in **Vineet Jain (supra)** it is explicitly noted that bail should be normally granted for offences under section 132 of CGST Act, unless extraordinary circumstances exits, and in the matter at hand there is GST evasion of approximately Rs. 95 Crores, which shall have writ large effects on the economy of the country; that the present is a matter of white-collar crime; that the aforementioned M/s falls under the ambit of "supplier" of taxable supplies in the nature of

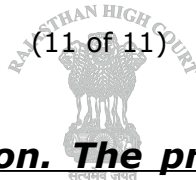


specified actionable claims pertaining to online money gaming, as per the CGST Act; that the applicant-Manoj despite being aware about the transactions related to online money gaming carried out in the name of the his company M/S Inovestr Global Pvt. Ltd., suppressed such supply of specified actionable claim, by not declaring it in GSTR-1 and GSTR-3B and had deliberately furnished false information in the statutory returns; that balancing the statutory scheme, the gravity of the allegations (massive receipts and large quantified tax evasion), the cogent documentary/electronic material and recorded admissions, plus the tangible risk of tampering with evidence and flight; that the judgments relied upon by the learned counsel for the applicants are upon distinguishable stance, as in matters of tax evasion, the facts of the case are material for consideration, and the present case reflects an evasion of approximately Rs. 95 Crores, this Court is of the opinion that the applicants have not made out a case for bail.

16. Lastly, reliance can be placed upon the ratio encapsulated **Radhika Agarwal vs. Union of India and ors. in**

W.P. Crl. No. 336 of 2018, wherein it was held as under:

*"12. It is pertinent to note that the Special Acts are enacted to achieve specific purposes and objectives. The power of judicial review in cases of arrest under such Special Acts should be exercised very cautiously and in rare circumstances to balance individual liberty with the interest of justice and of the society at large. **Any liberal approach in construing the stringent provisions of the Special Acts may frustrate the very purpose and objective of the Acts. It hardly needs to be stated that the offences under the PMLA or the Customs Act or FERA are the offences of very serious nature affecting the financial systems and in turn the sovereignty and***



integrity of the nation. The provisions contained in the said Acts therefore must be construed in the manner which would enhance the objectives of the Acts, and not frustrate the same. Frequent or casual interference of the courts in the functioning of the authorized officers who have been specially conferred with the powers to combat the serious crimes, may embolden the unscrupulous elements to commit such crimes and may not do justice to the victims, who in such cases Page 11 of 13 W.P.(Crl.) No.336 of 2018 & Connected Matters would be the society at large and the nation itself. **With the advancement in Technology, the very nature of crimes has become more and more intricate and complicated. Hence, minor procedural lapse on the part of authorized officers may not be seen with magnifying glass by the courts in exercise of the powers of judicial review, which may ultimately end up granting undue advantage or benefit to the person accused of very serious offences under the special Acts. Such offences are against the society and against the nation at large, and cannot be compared with the ordinary offences committed against an individual, nor the accused in such cases be compared with the accused of ordinary crimes."**

(emphasis supplied)

17. Accordingly, the instant bail applications are **dismissed, at this stage.** It is made clear that the observations made herein are confined to the limited question of bail and are not intended to be read as an expression on the merits of the prosecution's case.

18. Records, if any made available to the Court for perusal are hereby directed to be returned, in compliance of due prescribed procedure.

19. A copy of present order be placed in the connected application.

(SAMEER JAIN),J