

MHKO010041942025.



In the Sessions Court, Kolhapur, at Kolhapur

(Presided over by R. V. Utpat, Additional Sessions Judge, Kolhapur)

Cri. Bail Appln. No.974/2025

Mayank Mukesh Patel ... **Applicant-Accused**

Versus

Union of India ... **Opponent**

Directorate General of GST Intelligence

Kolhapur Regional Unit

Through Suraj S. Pawar(SIO)

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Appearance:-

Adv. Mr. A. A. Mahadik , for the Applicant.

Ld. Adv. Shri. S. D. Tonpe, for the opponent

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Order below Exh. 1

1. The applicant is accused in a complaint filed by the Senior Intelligence Officer of the Kolhapur regional unit of the Directorate General of GST Intelligence (DGGI) Kolhapur, for offence under sections 132(1)(b), 132(1)(L) of the Central Goods and Services Act, 2017 (CGST Act) read with section 132(5) of the CGST Act, 2017 and he is seeking bail under section 483 of the Bhartiya Nagarik Surakasha Sanhita, 2023.

2. The applicant has contended that, he has not committed any offence as alleged, inquiry/ investigation is over, the offence provides for punishment which may extend upto 5 years only and bail cannot be denied merely on the ground of severity of the offence. Furthermore, the evidence to be tendered during trial would essentially be in the nature of documentary or electronic evidence and the judicial custody of the applicant do not serve any fruitful purpose. The applicant has further contended that, he has undergone ileostomy operation and thus, he is infirm. He has shown readiness to co-operate with the investigating agency. He has also contended that, he is behind bars since long and mere formality of filing charge-sheet is remaining to be completed.

3. The application is resisted by the Union Of India on the grounds that, the applicant is involved in serious economic offence and the material collected prima facie reveals active and direct involvement of the applicant in generating and passing on of fraudulent Input Tax Credit (ITC) without actual supply of goods or services, causing wrongful availment and utilization of fraudulent ITC. It is also contended that, the accused has confessed that, fake ITC to the tune of approximately Rs. 25.21 Crores was created and passed on using GST credentials of M/S. Rajendra Enterprises, M/s. 5 Max Enterprises and M/s. Wellness Forever Healthtech Private Limited. It is also contended that, investigation is underway and the statements of other conspirators reveal that, the applicant has played significantly larger role in orchestrating the scheme and has received much larger amount as commission for creating and passing on of fake

ITC. It is further contended that, out of the fake ITC created and passed on by the applicant, ITC to the tune of Rs. 5 Crores was availed and utilized by various tax payers. It is also contended that, the applicant has misled the department multiple times during the inquiry, he is a habitual offender and there are chances that he may abscond, if released on bail. It is further contended that, the applicant is not having any life-threatening, sickness or infirmity and he is getting required external pouches for collecting the waste. It is also contended that, the applicant may intimidate and influence key witnesses and other co-conspirators and tamper with the evidence.

4. I have heard the Ld. Advocate Shri. A. A. Mahadik for the applicant and the Ld. Advocate Shri. S. D. Tonpe for the Union of India.

5. The Ld. Advocate for the applicant vehemently submitted that, the applicant is behind bars for more than five months and maximum punishment for the alleged offence is five years. He also submitted that, the applicant has made himself available for inquiry on 11.9.2025, 18.09.2025 and 22.09.2025 before his arrest and at no point of time, he was trying to evade the process of law. He also submitted that, the witnesses are from the department of the GST Intelligence and there is no question of tampering with or pressurizing the witnesses. He further submitted that, the accused is suffering from infirmity and he is ready to abide by any conditions that may be imposed on him, if he is releasing on bail. The learned advocate for the applicant has relied upon the following rulings.

- i) **Vineet Jain Vs. Union of India, Criminal Appeal no.2269 of 2025 decided on 28-04-2025 by the Hon'ble Supreme Court**
- ii) **Ratnambar Kaushik Vs. Union of India (2022) 12 JT 97**
- iii) **Manish Kumar Vs. Directorate Genera, Goods & Service Tax Intelligence, Zonal Unit, Ludhiana (2025 DGL (P & H) 3**
- iv) **Sanjay Chandra Vs. CBI ((2012) AIR (SC) 830)**

6. As against this, the Ld. Advocate for the Union of India submitted that, the offences involves huge amount and the applicant has created fake ITC without actual supply of goods or services and some customers had availed ITC. He further submitted that, there is ample material against the applicant to establish his involvement, including his confessional statement. Furthermore, the applicant had tried to mislead the investigating agency and therefore he is not entitled to bail. The Ld. Advocate relied upon following rulings :

- i) **Nimmagadda Prasad Vs. Central Bureau of Investigation (AIR 2013 Supreme Court 2821).**
- ii) **Percy Rustomji Basta Vs. The State of Maharashtra (AIR 1971 Supreme Court 1087).**
- iii) **Bajan Lal Bishnoi @ Rohan Vs. Superintendent of GST and Central Excise Hqrs Preventive Unit GST Chennai (AIROnline 2021 Mad.547).**
- iv) **Basudev Mittal V. Union of India (AIROnline 2022 CHH 107).**

7. I have given thoughtful consideration to the submissions made on behalf of the parties.

8. It appears that, the applicant was arrested on 23/09/2025 and since last five months, he is behind bars. During the investigation, the statement of the applicant came to be recorded on 11/09/2025, 18/09/2025 and 22/09/2025. The offence provides for maximum punishment of five years and fine and it is triable by the Judicial Magistrate of First Class.

9. In **Nimmagadda Prasad (supra)** the Hon'ble Supreme Court has held that, while granting bail, the Court has to keep in mind the nature of accusations, the nature of evidence in support thereof, the severity of the punishment which conviction will entail, the character of the accused, which is peculiar to the accused, reasonable possibility of securing the presence of the accused at the trial, reasonable apprehension of the witnesses being tampered with, the larger interests of the public/State and other similar considerations. It has also to be kept in mind that for the purpose of granting bail, the Legislature has used the words "reasonable grounds for believing" instead of "the evidence" which means the Court dealing with the grant of bail can only satisfy it as to whether there is a genuine case against the accused and that the prosecution will be able to produce prima facie evidence in support of the charge. It is not expected, at this stage, to have evidence establishing the guilt of the accused beyond reasonable doubt. In that case, the Hon'ble Supreme Court cautioned that 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 huge loss of public fund needs to be viewed seriously and considered as grave

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

10. In **Percy Rustomji Basta (supra)**, it is held that, section 24 of the Evidence Act is no bar to admissibility in evidence of statement made by a person to Customs Officers on summons issued under section 108 of the Customs Act. In **Bajan Lal Bishnoi @ Rohan and Basudev Mittal (supra)**, bail application of the accused involved in CGST offences was rejected by the Hon'ble Madras High Court and Allahabad High Court resp.

11. In **Vineet Jain and Ratnambar Kaushik (supra)** bail application of the accused was granted for the reasons that in cases involving offences under specific statutes like CGST Act, the maximum sentence is limited to the extent of five years and the prosecution relies primarily on documentary evidence. Circumstances that, chargesheet was filed and the accused had undergone significant pre-trial detention were also taken into consideration. In **Manish Kumar (supra)** the accused was released on bail by referring the cases of **Vineet Jain** and **Sanjay Chandra (supra)**.

12. In **Sanjay Chandra (supra)**, it is observed that object of bail is to secure the appearance of the accused at trial bail. Courts must respect the principle of innocence until proven guilty. Detention pending trial should only be a necessity to ensure attendance at trial. It was further held that, allegations against the accused that, if he is released on bail, he might tamper with

witnesses need to be reasonable and supported by material, not mere vague allegations.

13. The facts in **Nimmagadda Prasad (supra)** are distinguishable as the witnesses in that case were on the pay role of the accused and there was reasonable apprehension of the prosecution that the accused may tamper with them because he was an influential person. No such situation is there in the case at hand. In case of **Percy (supra)** the admissibility of statement was considered after the trial was resulted in conviction before the learned Trial Court, it was then confirmed by the Hon'ble High Court as well as Hon'ble Supreme Court. In **Bajan Lal Bishnoi @ Rohan and Basudev Mittal (supra)** the bail applications were rejected on the ground that the investigation was at preliminary stage. No such situation is there in the instant case because major part of the investigation seems to have been completed and the applicant is behind bars since 5 months.

14. Though the prosecution has claimed that if the accused is released on bail he may not be available for trial and there is apprehension of his fleeing from justice. Such situation is taken care by the Hon'ble Supreme Court in the matter of **Ratnambar Kaushik (supra)**, wherein the accused was directed to deposit his passport. Similar condition can be imposed on the applicant to secure his presence for trial.

15. No criminal antecedents of the applicant are placed before me and most of the witnesses are public servants. The evidence would be mostly in documentary/electronic form and the

documents are already seized. Considering all these circumstances, it will be in the larger interest of justice to enlarge the applicant on bail instead of detaining him for indefinite period. Hence, I pass the following order :

Order

1)	The application is allowed.
2)	The applicant-accused namely Mayank Mukesh Patel be released on bail on his furnishing a personal bond of Rs. 1,00,000/- (Rs. One Lakh only) with one solvent surety in the like amount on the following conditions:
i)	The applicant shall not tamper with the evidence.
ii)	The applicant shall appear before the concerned Senior Intelligence Officer, DGGI, Kolhapur Regional Unit, Kolhapur as and when called for.
iii)	The applicant shall deposit his passport before the Ld. Magistrate and shall not cause any obstruction in the trial by remaining absent.
3)	Since the bail application is filed online, separate physical copy of this order is not maintained. All concerned to act upon digitally signed copy of this order uploaded online.

Date : 10/03/2026.

(R. V. Utpat)
Additional Sessions Judge,
Kolhapur.

I affirm that the contents of this P.D.F. file order are same, word to word, as per the original order.

Name of the Stenographer	Mrs.S.R.Tambvekar
Name of Court	Mr. R. V. Utpat Additional Sessions Judge, Kolhapur.
Date of Dictation	10/03/2026
Order signed by the P.O. on	12/03/2026
Order uploaded on	12/03/2026