**Cri. Bail Application No.3482/2026**
**CNR No.MHPU01-007504-2026**
**Savaimal Sheth Alias Ketan Sheth**
**Vs**
**Union of India**
**Through Additional Director General**
**DGGI Zonal Unit Pune**

## ORDER BELOW EXH.1

This is an application for regular bail under Section 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (for short BNSS). I have heard Ld. Advocate for the applicant/accused and Ld. Advocate for the CGST Department. Perused the record.

2. Briefly stated facts leading to arrest of the applicant on 19/05/2026 in GST Office Crime No.DGGI/ING/GST/801/2026 for the offences under Sections 132(1)(c), 132(5) of the Central Goods and Service Tax Act, 2017 (for short CGST Act) are that the accused has issued fake invoices in 19 fake firms for availing fake Input Tax Credit (for short ITC) and it was observed by the GST department that he has evaded the tax to the tune of Rs.7.80 crores by such fraudulent activities. Therefore, crime was registered and investigation has been carried out, the accused was arrested and he is in Judicial custody.

3. As per the accused he has not committed any crime. He was not informed the grounds of arrest, but merely served with summons on 19/05/2026 and arrested immediately. The power under Section 69 of the CGST Act cannot be exercised mechanically, due process was not followed and therefore, his arrest is illegal.

Further it is submitted that the assessment in determining tax liability is not finalised. Already GST department has seized the books and documents, so no further investigation is required. The offence is triable by the Judicial Magistrate First Class and the punishment is up to five years and therefore, as per the various Judgments of the Hon’ble Supreme Court, he be released on bail. He is permanent resident of the address given. He has no criminal antecedents. He is ready to abide by any conditions and therefore, he be released on bail.

4. Ld. Advocate for the applicant/accused in support of ground of illegal arrest has referred to the summons issued under Section 70 of the GST Act, Arrest Memo dated 19/05/2026 and submitted that on these grounds alone, the applicant/accused can be released on bail.

5. Ld. Advocate for the applicant/accused in support of the application submitted that the investigation is complete, charge-sheet has been filed. Therefore, the accused be released on bail.

6. Ld. Advocate for the CGST department submitted that the offence is serious. The tax of crores of rupees has been evaded. There is a racket of these persons. There was no violation of any of the provisions under Sections 69 or 70 or of CGST Act. Proper notice was given, there were grounds mentioned in the notice and even the Arrest Memo reveals the grounds were also explained to him. Further it is submitted that these type of serious economic offences not entitle the accused to release on bail.

7. In support of the argument, Ld. Advocate for the GST department relied on the Judgments in :

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| 1. | **Hira Gobind Bhatia V/s State of Central Goods and Services Tax - 2023(78) GSTL 81(Bom)**, wherein the Hon'ble Bombay High Court in Para No.14 observed that "*Suffice it to say that such Economic Offences have long Term and far reaching ramifications on the Financial Health of the Country and affect the National Interest at large in various ways. Considering the consequences of such Economic Offences that would befall the Society, the offences have been held to be of Distinct class and under the category of grave offences such offences which affect the financial health of a country need to be investigated thoroughly.*" |
| 2. | **Vikas Goel & Another v. Central Goods and Services Tax Commissionerate Gurgaon - CRM No.M-45649 of 2018**, wherein the Punjab & Haryana Chandigarh High Court in para No.2 has observed that, "*Keeping in view the facts and circumstances of the present case, nature and gravity of the offence and in view of the fact there were justifiable grounds to arrest the petitioners under Section 69 of CGST Act and further in view of the fact that case Involves Evasion of more than 80 Crores of Tax under the CGST and Offence is punishable with imprisonment for a period of five years and complaint is stated to have already been filed, I do not find any ground to grant benefit of Regular Bail to the Petitioners.*" |
| 3. | **The State of Gujarat v. Choodamani Parmeshwaran Iyer & Anr. Etc. - Criminal Appeal Nos. of 2023 – Arising out of SLP (Crl.) No.4212-4213 of 2019**, wherein the Hon'ble Supreme Court has observed that, "*Though Section 69(1) which confers powers upon the Commissioner to Order the arrest of a person does not contain the safeguards that are incorporated in Section 41 and 41A of CrPC, we think section 70(1) of the CGST Act takes care of the Contingency.*" |
| 4. | **Sheetal Mittal v. State of Rajasthan - 2023(74) G.S.T.L. 3 (S.C)**, wherein the Hon'ble Supreme Court has observed that, "*In view of categorical findings in impugned High Court Order that an purchase documents GST No and other details of firm were found to be fake, No Case of Anticipatory Bail was made out* |

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| | *and accordingly SLP filed by appellant against impugned order was dismissed.*" |
| 5. | **Amit Beriwal v. State of Odisha - BLAPL No.2217 of 2020** wherein the Hon'ble Orrisa High Court has observed that, "*The Entire Community is aggrieved if the Economic Offenders who ruin the economy of the sate are not brought to books. A murder may be committed in the heat of moment upon passions being aroused. An Economic Offence is Committed with Cool Calculations and deliberate design with as eye on personal profit regardless of the consequences to the Community. A disregard for the interest of the Community can be manifested only at the cost of forfeiting the trust and faith of the community in the system to administer justice in an even handed manner with out fear of criticism from the quarters which view white collar crimes wiat a permissive eye unmindful of the damage done to the National Economy and National Interest.*" |
| 6. | **Nimmagadda Prasad v. C.B.I., Hyderabad – 2013 (7) SCC 466**, wherein the Hon'ble Supreme Court has observed that "*The Entire Community is aggrieved if the Economic Offenders who ruin the economy of the sate are not brought to books. A murder may be committed in the heat of moment upon passions being aroused. An Economic Offence is Committed with Cool Calculations and deliberate design with as eye on personal profit regardless of the consequences to the Community. A disregard for the interest of the Community can be manifested only at the cost of forfeiting the trust and faith of the community in the system to administer justice in an even handed manner with out fear of criticism from the quarters which view white collar crimes with permissive eye unmindful of the damage done to the National Economy and National Interest.*<br>*Economic Offences constitutes a class apart and need to be visited with 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 offences affecting the economy of the country as a whole and thereby posing serious threat to the financial health of the country.*" |
| 7. | **Chhatar Singh alias Niku Singh v. State of Odisha - 2023 CRI. L.** |

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| | **J. 333(ORI.)**, wherein the Hon'ble Orissa High Court has observed that, "While considering the bail application of a accused person of economic offences of huge magnitude on prima facie accusations, no liberal approach should be adopted, especially when the extent of economic offence runs to more than hundreds of corers.<br>Y.S Jagan Mohan Reddy (AIR 2013 SC 1933) Economic offences constitutes 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 grave offences affecting the economy of the country as a whole and thereby posing serious threat to the financial health of the country.<br>It is True that the Petitioners are in custody for little more than seven months and charge sheet has already been filed, but considering the allegation of Huge Amount of Financial Fraud being leveled against the petitioners by itself in the facts and circumstances of the case not entitle them for Grant Bail at this stage." |
| 8. | **Basudev Mittal v. Union of India - AIRONLINE 2022 CHH 107** wherein the Hon'ble Chhattisgarh High Court has observed that, "In the Instant Case, Charge Sheet has been filed against the Appellant however further Investigation is going on and as per Respondent, there is much more probability of detecting more fake and suspicious firms. The Economic Offences having Deep rooted conspiracies and involving Huge Loss of Public Funds need to be viewed seriously and considered as grave offence affecting the economy of the country as a whole and thereby posing serious threat to the financial health of the country. Economic offence is always committed with calculated design profiting himself regardless of the consequences to the community." |
| 9. | **Sadhwi Pragyna Singh Thakur v. State of Maharashtra - 2011 (10) SCC 445**, wherein the Hon'ble Supreme Court has observed that, "Where as, an accused may be entitled to be set at liberty if it is shown that the accused at that point of time is in illegal detention by the police, such a right is not available after the Magistrate remand the accused to custody. Right under Article 22(2) is available only against illegal detention by police. |

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| | In the absence of challenge to these orders or remand passed by the competent court, the appellant can not be set at liberty on the alleged plea that there was violation of Article 22(2) by the Police.” |
| 10. | **Bajan Lal Bishnoi @ Rohan v. Superintendent of GST & Central Excise – 2021 SCC OnLine Mad 16929**, wherein the Hon’ble Madras High Court has observed that, In this case on hand, it is the insistent stand of the respondent that the value of fraud is to the tune of around 55 crores. It is to be pointed out that the case quoted supra, is identical in all aspects to the case before this court, where fake firms were created for the of individuals enriching purpose themselves at the cost of the society. With out deprecating the said act, if bail as sought for by the petitioner is granted, It would not only send wrong signals to the other persons to come out with such ingenuous ideas, but such acts would erode the economy of the country and would push the country still backwards.<br>A perusal of records shows that there are serious allegations against the present petitioner, who is the one of the main accused, that he along with co accused by perpetrating fraud and through paper transactions have claimed the relief to the tune of more is at than 55 crores. The case preliminary stage and enlarging the petitioner at this point of time on bail would have a detrimental effect on the investment. Further, it is to be pointed out that with out his role as middle man, the whole crime could not have been perpetrated. The nexus of very many persons with in the administrative frame work could not be ruled out and a proper and full fledged investigation is necessary to unearth the larger conspiracy involved behind the above. It is not as if the petitioner has been under incarceration for a long length of time. In such a back drop, this court is of the considered view that the prayer for grant of bail by the petitioner can not acceded to.” |

8. Undisputedly the accused is behind bar for more than two and half months. The offence is punishable with the imprisonment for five years and it is triable by Judicial Magistrate First Class. It is settled principle that the bail is a rule and jail is an exception and in

case the offences punishable up to seven years, the Court has to consider release of the accused unless there are compelling circumstances which do not justify his release on bail.

9. In the instant case, when the charge-sheet is filed, trial will take its own time because of pendency of many cases in the Magistrate Court and it is also not submitted that the accused is a flight risk, therefore, on certain terms and conditions the application can be allowed. Hence, I pass following order :

## ORDER

1. The application is allowed.
2. On executing personal bond of Rs.50,000/- and surety in the like amount, the applicant/accused **Savaimal Sheth Alias Ketan Sheth** be released on bail in Case No.DGGI/ING/GST/801/2026 for the offences under Sections 132(1)(c), 132(5) of the Central Goods and Service Tax Act, 2017 registered with the Additional Director General, DGGI Pune, Zonal Unit Pune.
3. The applicant/accused shall not tamper the evidence.
4. The applicant/accused shall not indulge in similar offences while on bail.
5. The applicant/accused shall attend each and every date before the Trial Court unless his absence is excused.
6. The applicant/accused shall furnish his permanent address and mobile number which he shall not change without intimation to the Trial Court.
7. Bail before trial Court.

(Dictated and Pronounced in open Court.)

Digitally signed by PRADIP YESHWANT LADEKAR
Date: 2026.08.10 19:52:41 +0530

Pune. (P. Y. Ladekar)
Date : 06/08/2026 Additional Sessions Judge, Pune.

## CERTIFICATE

I affirms that the contents of this P.D.F. file Order are same word for word as per original Order.

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| Court Name | : | P. Y. Ladekar,<br>District Judge – 2 and<br>Additional Sessions Judge, Pune. |
| Name of Steno | : | Abhishek Arun Gite<br>(Stenographer Grade - I) |
| Date of Order | : | 06/08/2026 |
| Order signed by Presiding Officer on | : | 10/08/2026 |
| Order PDF and Uploaded on | : | 10/08/2026 |