IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

R/CRIMINAL MISC.APPLICATION (FOR REGULAR BAIL - AFTER CHARGESHEET) NO. 3584 of 2026

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MOHAMMAD YUSUF ABUDL GHAFFAR SHAIKH
Versus
STATE OF GUJARAT & ORS.
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Appearance:
MR DAX K SOLANKI(12696) for the Applicant(s) No. 1
MR. VIKEN SHAH(14276) for the Applicant(s) No. 1
MS. KETKI P JHA(9864) for the Respondent(s) No. 2
MR. DHAWAN JAYSWAL, APP for the Respondent(s) No. 1
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CORAM:**HONOURABLE MR.JUSTICE UTKARSH THAKORBHAI DESAI**

Date : 15/04/2026

ORAL ORDER

1. The applicant has filed this application under Section 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023 for enlarging the applicant on regular bail in connection with the offence registered vide File No.DGGI/INT/INTL/781/2025 GR 1 – O/o ADG – DGGI – ZU – SURAT for the offence punishable under Sections 132(1)(i) of the Central Goods and Services Tax Act, 2017 read with Section 132(5) of the CGST Act, 2017.

2. Rule. Learned APP waives service of notice of Rule on behalf of the Respondent – State, learned Advocate Ms. Ketki Jha waives service of notice.

3. Heard learned Advocate Mr. Dax Solanki with learned Advocate Mr. Viken Shah appearing for the applicant. Mr. Solanki has submitted that, the applicant has been arrested in connection with the present offence on 11.11.2025 and since then, he is in judicial custody. The respondent authorities have concluded the investigation and a necessary complaint has also been lodged against the applicant on 08.01.2026. Thus, for the purpose of investigation, the custody of the applicant is no longer required. Mr. Solanki has further submitted that, considering the punishment prescribed for the offence in question which is a maximum period of 5 years, the Court should exercise discretion in favour of the applicant. According to Mr. Solanki, the allegations against the applicant is about he having wrongly availed the Input Tax Credits to the tune of Rs.18.92 crores, and that, all the documents have been seized by the Investigating Officer. The entire case pertains to documentary evidence. It is further contended that, the applicant is ready and willing to abide by all the conditions that may be imposed by the Court, while being released on bail. Thus, Mr. Solanki has urged to allow the application and grant regular bail to the applicant as prayed for.

4. Heard learned advocate Ms. Ketki Jha appearing for the respondent No.2 – Intelligence Officer Directorate General of Goods and Service Tax Intelligence, who has drawn the attention of the Court towards the reply which has been filed by the respondent No.2. Ms. Jha has submitted that, though the applicant's company M/s. New Nalbandh Traders, which was engaged with bogus and non-operational entities, it had not purchased any goods from M/s. Avatar Enterprise, Surat, M/s. Alveera Corporation, Surat, M/s. Mahimna Allous, Surat and M/s. Five Star Ispat Pvt. Ltd. whereas, Input Tax Credits amounting to Rs.18,92,43,969/- were raised. Ms. Jha has also submitted that, while conducting search at the premises of M/s. New Nalband Traders, at Surat, the details of goods lying at the said premises were not provided, however, incriminating documents pertaining to purchase of scrap in cash without paying GST were seized. There are other evidences as well to prove that, the Input Tax Credits were falsely raised by the applicant. The complaint has been filed against the applicant under the special law and the offence being economic in nature causing loss of revenue to the State. Accordingly Ms. Jha has urged the Court to reject the bail application. Ms. Jha has also submitted that, the applicant be

put to terms whereby, he be directed to deposit some amount in the Court.

5. Learned APP Mr. Dhawan Jayswal for the respondent – State while opposing the present application has adopted the arguments advanced by learned advocate Ms. Ketki Jha for the respondent No.2.

6. Having considered the submissions of the either advocates for the parties and upon having perused the record of the case, it appears that, the investigation is over and complaint has been lodged by the respondent No.2 – authority before the Competent Court at Surat, vide Criminal Case No.1501 of 2026. As per the prosecution case, the applicant herein had wrongly availed the benefit of Input Tax Credits to the tune of Rs. 18,92,43,960/- by buying goods in cash without payment of GST. Having regard to the punishment prescribed to the offence being that of a maximum period of 5 years, and also, the applicant being behind the bars since 11.11.2025, the present application deserves consideration. This Court has also considered the following aspects:

(a) As per catena of decisions of Hon’ble Supreme Court, there are mainly 3 factors which are required to be considered by this court i.e. prima-facie case, availability of Applicant accused at the time of trial and tampering and hampering with the witnesses by the accused.

(b) That the learned Advocate for the Applicant has submitted that the Applicant Accused is not likely to flee away.

(c) That the Applicant is in custody since 11.11.2025.

(d) The law laid down by the Hon'ble Apex Court in the case of Sanjay Chandra v. C.B.I. reported in (2012) 1 SCC 40.

7. Thus, in the event, the applicant accused is ordered to be released on bail in connection with the aforesaid complaint on executing a personal bond of Rs.10,000/- with one solvent surety of the like amount to the satisfaction of the trial Court, subject to the following conditions that he shall:

(a) not directly or indirectly make any inducement, threat or promise to any person acquainted with the fact of the case so as to dissuade him from disclosing such facts to the Court or any Police Officer or tamper with the evidence;

(b) maintain law and order and shall not indulge in any criminal activities;

(c) furnish the documentary proof of complete, correct and present address of residence to the Investigating Officer and to the Trial Court at the time of executing the bond and shall not change the residence without prior permission of the trial Court;

(d) provide contact numbers as well as the contact numbers of the sureties before the Trial Court. In case of change in such numbers inform in writing immediately to the trial Court;

(e) mark presence before the concerned Authority **once a week** for a period of one year between 11:00 a.m. and 2.00 pm;

(f) file an affidavit stating his immovable properties whether self acquired or ancestral with description, location and present value of such properties before the Trial Court, if any;

(g) not leave Gujarat without prior permission of the concerned Trial Court;

(h) surrender passport, if any, to the Trial Court within a week and if the applicant does not possess passport, shall file an Affidavit to that effect;

8. Bail bond to be executed before the Trial Court having jurisdiction to try the case. It would be open for the Trial Court concerned to give time to furnish the solvency certificate if prayed for.

9. If breach of any of the above conditions is committed, the Trial Court concerned will be at liberty to issue warrant or take appropriate action in accordance with law. The Authorities will release the Applicant forthwith, only if the Applicant is not required in connection with any other offence for the time being.

10. At the trial, the concerned competent Court shall not be influenced by the prima-facie observations made by this Court in the present order, which have been made only for the purpose of deciding this application.

11. Rule is made absolute. Direct service permitted.

(UTKARSH THAKORBHAI DESAI, J)

KAJAL