

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

R/CRIMINAL MISC.APPLICATION (FOR REGULAR BAIL - BEFORE
CHARGESHEET) NO. 6472 of 2026

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KEYUR DIPAKKUMAR SHAH

Versus

STATE OF GUJARAT & ANR.

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Appearance:

MR DEVANG NANAVALTY, SENIOR ADVOCATE with MR CHETAN K
PANDYA(1973) for the Applicant(s) No. 1

MR J K SHAH, APP for the Respondent(s) No. 1

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CORAM:HONOURABLE MR. JUSTICE NIKHIL S. KARIEL

Date : 23/03/2026

ORAL ORDER

1. Heard learned Senior advocate Mr. Devang Nanavaty with
learned advocate Mr. C.K. Pandya appearing on behalf of the
applicant and learned Additional Public Prosecutor Mr. J.K. Shah
appearing on behalf of the respondent-State.

2. **Rule.** Learned APP waives service of rule on behalf of the
respondent-State.

3. 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 File No. ACST/ENF/FSU-5/KEYUR SHAH/2025-26/B.25 registered with the office of Additional Commissioner of State Tax (Enforcement), Rajyakar Bhavan, Ahmedabad, for the offence punishable under Sections 132(1)(b), 132(1)(c) of the Central Goods and Services Tax Act, 2017 and under Section 69 of the Gujarat Goods and Services Tax Act, 2017.

4. Learned advocate for the applicant would submit that considering the role attributed to the applicant, and nature of the allegation levelled, the applicant may be enlarged on regular bail. It is further submitted that no useful purpose would be served by keeping the applicant in jail for indefinite period. It is further contended that the applicant is ready and willing to abide by all the conditions that may be imposed by this Court if released on bail.

5. As against the same, learned Additional Public Prosecutor appearing for the respondent – State has vehemently objected to

the grant of regular bail. Learned APP has submitted that looking to the nature of offence and the role attributed to the present applicant this Court may not exercise the discretion in favour of the applicant and the application may be dismissed.

6. I have heard learned advocates appearing on behalf of the respective parties and perused the papers. At the outset, it requires to be noted that pending the application, the complainant (charge-sheet) has been filed and whereas, yet, considering following aspects hereinbelow, this Court is inclined to consider this application:

- i. The present applicant having been arrested on 21.01.2026.
- ii. The allegation being that the applicant defrauded the department of around Rs. 42,00,00,000/-, more particularly by wrongful availment of input tax credit under Section 132(1)(c) and towards passing of input tax credit without actual supply of goods under Section 132(1)(b) of the Gujarat Goods and Services Tax Act, 2017 and the CGST Act, 2017, and whereas, it appears to this Court that, the department is empowered to invoke

appropriate procedures for recovering and/or imposing penalties upon the applicant.

iii. The fact that while, this complaint is filed, yet, the apprehension expressed by learned APP could be allayed by imposing suitable conditions.

iv. The fact of the applicant not having any antecedents.

v. The fact of the maximum punishment that could be imposed being five years.

This Court has taken into consideration the law laid down by the Hon'ble Apex Court in the case of **Sanjay Chandra v. Central Bureau of Investigation** reported in [2012] 1 SCC 40.

7. In the facts and circumstances of the case and considering the nature of the allegations made against the applicant in the First Information Report, without discussing the evidence in detail, prima facie, this Court is of the opinion that this is a fit case to exercise the discretion and enlarge the applicant on regular bail.

8. Hence, the present application is allowed. The applicant is ordered to be released on bail in connection with File No. ACST/ENF/FSU-5/KEYUR SHAH/2025-26/B.25 registered with the office of Additional Commissioner of State Tax (Enforcement), Rajyakar Bhavan, Ahmedabad, on executing a bond of Rs.1,00,000/- (Rupees One Lakhs only) with one surety of the like amount to the satisfaction of the trial Court and subject to the conditions that he shall;

[a] not take undue advantage of liberty or misuse liberty;

[b] not act in a manner injurious to the interest of the prosecution;

[c] surrender passport, if any, to the lower court within a week;

[d] not leave the State of Gujarat without prior permission of the Sessions Court concerned;

[e] furnish the present address of residence to the I.O. and also to the Court at the time of execution of the bond and shall not change the residence without prior intimation to the I.O.;

[f] mark presence before respondent no.2, once a week for a

period of three months and thereafter once a month for a period of three months before the concerned police station.

[h] respond to any notice issued by the Investigating Officer for appearing before him with an advance time of 48 hours.

[i] inform the Investigating Officer in above referred six months as regards any proposed travel plans of leaving District-Ahmedabad, in advance.

9. The Authorities will release the applicant only if he is not required in connection with any other offence for the time being. If breach of any of the above conditions is committed, the Sessions Court concerned will be free to take appropriate action in the matter.

10. Bail bond to be executed before the lower court having jurisdiction to try the case. It will be open for the concerned Court to delete, modify and/or relax any of the above conditions in accordance with law.

11. At the stage of trial, the trial court shall not be influenced by any observations of this Court which are of preliminary nature made at this stage, only for the purpose of considering the application of the applicant for being released on regular bail.

12. The application is allowed in the aforesaid terms. Rule is made absolute to the aforesaid extent. Direct service is permitted.

(NIKHIL S. KARIEL,J)

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