



2025:CGHC:60090

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

MCRCA No. 1689 of 2025

Mohd. Farhan Aged About 31 Years S/o Mohd. Yusuf Khan R/o 17/458, Nurani Chowk, Jailer Chal, Rajatalab, Raipur, 492001 ... **Applicant**

versus

State Of Chhattisgarh Through Deputy Commissioner State Tax, BIU, Head Office Naya Raipur, GST Department, Sector-19, Atal Nagar, Naya Raipur, Chhattisgarh ... **Respondent**

For Applicant	:	Shri Palash Soni, Shri Vikalp Sharma and Shri Prashant Dansena, Advocates.
For Respondent/State	:	Shri U.K.S. Chandel, Dy.A.G.

Hon'ble Shri Ramesh Sinha, Chief Justice

Order on Board

10/12/2025

1. This first anticipatory bail application under Section 482 of the Bhartiya Nagarik Suraksha Sanhita, 2023 has been filed by the applicant, who is apprehending his arrest in connection with Crime No. DCST/BIU/NRD/02/2025 registered at Police Station - Deputy Commissioner, State Tax, BIU, Head Office Naya Raipur, GST Department, Sector-19 Atal Nagar, Naya Raipur, C.G for the offences punishable under Sections 67 & 132 of CGST/CGGST Act 2017 (for short, the Act of 2017).

2. Brief facts of the case are that on 12.09.2025, officers of the CGST Department conducted a search under Section 67 of the CGST Act at the Applicant's office in Raipur on the unsubstantiated allegation that he was involved in creating bogus firms and facilitating fake e-way bills. During the search, the Applicant and his staff were allegedly subjected to coercive questioning despite full cooperation. Certain documents and digital records relating to GST registrations were seized, and allegations of irregular rent agreements were made without any verification. An amount of Rs.2,48,000/- was recovered from the Applicant's premises with a valid explanation, while a separate recovery of cash and gold from one Abdul Latif is being unfairly connected to the Applicant. From 174 firms examined, 26 were treated as suspicious, disregarding the fact that the Applicant is only a freelance accountant who relies on client-provided data. The Department thereafter issued successive summons dated 13.09.2025, 18.09.2025, and 22.09.2025, despite the Applicant informing them of medical difficulty and seeking time to join the investigation. Owing to the coercive manner of the search and repeated summons, the Applicant developed a genuine apprehension of arrest and approached the Sessions Court for anticipatory bail, which was rejected on 08.10.2025. Fresh summons dated 22.10.2025 were again issued to the Applicant and his wife. Hence, this anticipatory bail application.
3. Learned counsel for the applicant submits that the case projected by the Non-applicant is founded on an erroneous understanding of facts and is a wholly concocted narrative aimed at falsely implicating the Applicant, who is innocent and has merely discharged his professional duties as a freelance accountant and the allegations are exaggerated, unsupported by any cogent material, and based purely on suspicion and inference. He

would submit that the allegation that the Applicant facilitated GST registrations on the basis of forged documents is completely misconceived, GST registration is an entirely system-driven process involving Aadhaar OTP authentication, physical verification by an Inspector, and approval by the Assistant Commissioner after detailed scrutiny, in such a multi-layered statutory mechanism, forgery at the Applicant's end is impossible, and the allegation stands inherently falsified. He would submit that the entire case of the Department rests on documents and digital records already seized or available on official GST portals. He would submit that no recovery is pending from the Applicant and in light of settled law that custody is unwarranted in documentary investigations, custodial interrogation serves no purpose and would amount to punitive detention. He would submit that the rejection of anticipatory bail by the learned Special Judge on 08.10.2025 is based on mis-appreciation of facts and law. He would further submit that the Applicant is fully willing to join investigation, furnish documents, and appear whenever required, therefore the present applicant is entitled to be released on anticipatory bail.

4. On the other hand, learned State counsel, appearing for the non - applicant/State, opposes the prayer for grant of anticipatory bail. He would submit that a search under Section 67 was conducted on 12.09.2025, during which the Applicant initially cooperated but soon fled the premises and the entire operation is duly recorded in the Panchnama. He would submit that investigation has revealed that the Applicant procured GST registrations using forged documents and generated e-way bills involving Rs.124 crore tax, without declaring corresponding supplies in GSTR-1 or paying tax in GSTR-3B. He would further submit that despite issuance of five summons under Section 70, the Applicant

did not appear even once, thereby obstructing investigation which is still at an early and sensitive stage. He would submit that search yielded fabricated rent agreements and digital evidence of document forgery. Cash of Rs.2,48,900/- was seized from the Applicant's office, and Rs.1,64,53,000/- and 400 grams gold was recovered from his uncle's residence, allegedly concealed on his behalf. He would submit that records of 174 firms were found; 21 firms were non-existent and used solely for issuing e-way bills worth Rs.821 crore and identity theft and fraudulent registrations across multiple states stand prima facie established. He would submit that considering the organized nature of the economic offence, destruction of evidence, and involvement of multiple entities, custodial interrogation is essential to trace the full chain and recover data. He would submit that the Applicant has failed to show any exceptional circumstances justifying the grant of anticipatory bail and mere apprehension of arrest, when founded on legitimate investigation, is not sufficient ground for grant of anticipatory bail and the same is liable to be dismissed.

5. I have heard learned counsel for the parties and perused the materials available on record.
6. From the material collected thus far, it appears that the allegations against the Applicant primarily rest upon documentary and digital evidence, which is already in the custody of the investigating agency pursuant to the search under Section 67 of the Act of 2017. No further recovery from the Applicant has been shown to be pending. It is also pertinent to note that the maximum punishment prescribed for the alleged offence under Section 132 of the CGST Act is only 5 years. The offence is, therefore, not of the category of heinous or violent crimes that ordinarily warrant pre-trial incarceration. The limited statutory severity of

punishment, coupled with the nature of allegations, militates against the necessity of custodial detention at this stage. The investigation is likely to take some time, and continued liberty of the Applicant, subject to reasonable conditions, does not appear to pose any risk of absconding or tampering with evidence, particularly since the relevant data is already seized. Hence, considering the totality of circumstances, the nature of accusation, the character of evidence, the stage of investigation, the maximum punishment prescribed, and the fact that custodial interrogation has not been shown to be indispensable, I am inclined to grant anticipatory bail to the Applicant.

7. Accordingly, the instant MCRCA is **allowed** and it is directed that in the event of arrest of the applicant – **Mohd. Farhan**, on executing a personal bond and one surety in the like sum to the satisfaction of the arresting Officer/competent CGST authority, he shall be released on bail on the following conditions:-

(a) The applicant shall not directly or indirectly make any inducement, threat or promise to any person acquainted with the facts of the case so as to dissuade him from disclosing such fact to the Investigating Officer or the competent GST authority.

(b) The applicant shall not act in any manner which will be prejudicial to a fair and expeditious GST investigation.

(c) The applicant shall appear before the Investigating Officer / competent GST authority on each and every date on which his presence is required, and shall thereafter appear before the concerned Court as and when called during the course of proceedings.

(d) The applicant and the surety shall submit a copy of their Aadhaar cards along with coloured postcard-size photographs having the printed Aadhaar numbers, which shall be verified by the concerned Court / authority.

(e) The applicant shall not involve himself in any offence of similar nature in future.

Sd/-

(Ramesh Sinha)
Chief Justice