



2026:CGHC:7927

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

MCRCA No. 172 of 2026

Harish Wadhwani S/o Sh. Roopchand Wadhwani Aged About 44 Years R/o Villa. No. 196, Sapphire Green Vidhan Sabha Road Raipur - 492001

... Applicant

versus

State Of Chhattisgarh Through Commissioner State Goods And Services Tax, Cbd Building, Atal Nagar, Naya Raipur, District- Raipur Chhattisgarh

... Respondent

For Applicant : Mr. Palash Soni along with Mr. Vikalp Sharma & Prashant Dansena, Advocate

For Non-Applicant/State : Ms. Anusha Naik, Panel Lawyer.

Hon'ble Mr. Ramesh Sinha, Chief Justice

Order on Board

12.02.2026

1. This is the first anticipatory bail application filed under Section 482 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (for short 'BNSS') for grant of regular bail to the applicant who has been arrested in connection with Crime No. DCST/ENF/AGASTYA ENT//2025/4935 dated 25.06.2025.DCST/ENF/AGASTYA ENT./2025/5176 dated

2.07.2025,03/MA220725092354Vdated28.07.2025,DCST/ENF/AGAST YA ENT./2025/8558 dated 03.10.2025, RFN NO. MA2211250174132 dated 19.11.2025 and MA2201260167747 dated 16.01.2026 registered at Police Station – COMMISSIONER STATE GOODS & SERVICES TAX, CBD BUIDLING, ATAL NAGAR, NAYA RAIPUR, DISTRICT RAIPUR, CHHATTISGARH for the Offences U/S: 69 & 132 of CGST/CGGST Act 2017.

2. The brief facts of this case is that on 20.05.2025 and 21.05.2025, acting under powers conferred by Section 67 of the CGST Act, the department conducted search proceedings at the office premises of the applicant situated at Hirapur Road, Guma, Raipur, Chhattisgarh, on the basis of credible information and reasons to believe regarding fraudulent availment of Input Tax Credit. During the course of search, various documents and business records were examined and seized for further investigation in connection with suspected tax evasion and wrongful availment of Input Tax Credit amounting to approximately ₹17.83 crore. Thereafter, the department initiated further inquiry and issued summons to the applicant from time to time under the provisions of the CGST Act requiring his appearance and production of relevant documents. The investigation revealed that the applicant had business transactions with certain entities and persons, including Aman Agrawal and others, who were found to be involved in suspicious transactions relating to wrongful availment and passing of Input Tax Credit. In continuation of the investigation, multiple summons dated 25.06.2025, 02.07.2025, 28.07.2025, 03.10.2025, 19.11.2025 and 16.01.2026 were issued by different investigating officers for securing the applicant's

presence and cooperation in the inquiry. Despite service of summons, the applicant did not adequately cooperate with the investigation and sought time to appear, while the investigation remained at a crucial stage. Subsequently, in view of the material collected during search and inquiry, and the applicant's involvement in transactions under scrutiny relating to fraudulent Input Tax Credit, further proceedings were initiated in accordance with law and necessary action was taken by the department.

3. The applicant respectfully submits that the present application is maintainable before this Hon'ble Court under Section 482 of the BNSS as he has a *bona fide*, real and imminent apprehension of arrest in connection with the proceedings initiated under the CGST/SGST Acts, and the absence of registration of an FIR does not bar the grant of anticipatory bail, as settled by the Hon'ble Supreme Court in *Sushila Aggarwal vs. State (NCT of Delhi)* and *Radhika Agarwal vs. Union of India*. It is further submitted that the powers of arrest vested in investigating agencies are wide and, if exercised arbitrarily, may result in coercion and deprivation of personal liberty; therefore, anticipatory bail acts as an essential safeguard to balance the interest of investigation with the fundamental rights guaranteed under Article 21 of the Constitution. In the present case, despite search proceedings yielding no incriminating material, the applicant was repeatedly subjected to threats of arrest and successive summons, thereby giving rise to a genuine and reasonable apprehension of custodial action. The applicant's apprehension of arrest has further intensified in view of a series of coercive actions undertaken by the department in close succession, as on 15.10.2025 the department blocked the Applicant's

Input Tax Credit amounting to Rs.28,87,88,505/-, which has effectively paralysed his business operations and caused grave financial prejudice, and this was immediately followed by a communication dated 16.10.2025 alleging, without adjudication or determination of liability, that the Applicant had availed Input Tax Credit on the basis of invoices issued without actual movement of goods; these abrupt and consecutive actions clearly demonstrate an escalation from investigation to coercive measures, establishing that the proceedings are no longer confined to fact-finding but have assumed a character that poses a real and imminent threat to the Applicant's liberty. It is further submitted that the allegations pertain to offences under Section 132 of the CGST Act, which are fiscal and regulatory in nature, compoundable under law, and punishable with a maximum sentence of five years, and therefore cannot be termed heinous so as to warrant pre-trial incarceration; the investigation is primarily documentary, the relevant records are already in possession of the department, and no custodial interrogation is necessary. Reliance is placed upon judicial pronouncements including *Mohd. Farhan vs. State of Chhattisgarh*, *Tarun Jain vs. DGGI*, and *Arvind Dham vs. Directorate of Enforcement*, wherein it has been consistently held that economic offences of this nature do not automatically justify denial of bail and that the gravity of the offence must be assessed in light of the punishment prescribed, the nature of evidence, and the facts of each case. The applicant has fully cooperated with the investigation, has no criminal antecedents, and the allegations pertain to alleged wrongful availment of Input Tax Credit of approximately Rs.17.83 crore, which is substantially lower than in comparable cases where anticipatory bail has been granted. The

CGST Act itself provides for compounding of offences, reflecting its primary objective of revenue protection and compliance rather than punitive incarceration. In these circumstances, denial of anticipatory bail would amount to curtailing the applicant's liberty on mere suspicion, and the applicant undertakes to continue cooperating with the investigation, to appear before the authorities as and when required, and to abide by any terms and conditions that may be imposed by this Hon'ble Court; therefore, he deserves the protection of anticipatory bail.

4. On the other hand, learned State counsel opposed the anticipatory bail application of the applicant.
5. I have heard learned counsel for the parties and perused the case diary.
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 conducted under Section 67 of the Act of 2017. It is also pertinent to note that the maximum punishment prescribed for the alleged offence under Section 132 of the CGST Act is only five years, and the offence therefore does not fall within the category of heinous or violent crimes that ordinarily warrant pre-trial incarceration. The limited statutory severity of punishment, coupled with the nature of the allegations, militates against the necessity of custodial detention at this stage. The investigation is likely to take some time, and the 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 has already been seized and that one co-accused has already been granted regular bail by this Court in MCRC No. 6555 of 2025, vide order dated 12.09.2025. Hence, considering the totality of the circumstances, the nature of the accusation, the character of the evidence, the stage of investigation, the maximum punishment prescribed, and the fact that custodial interrogation has not been shown to be indispensable, this Court is 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 **Harish Wadhwani**, 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

vaibhav