RAJASTHAN HIGH COURT
सत्यमेव जयते

HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

S.B. Criminal Miscellaneous Bail Application No. 16428/2025

Hansraj Gurjar S/o Sh. Ramgopal, Aged About 32 Years, R/o Ward No. 55, Avana Ki Paal (Dhani), Kishangarh, District Ajmer (Raj.) Currently Confined To Central Jail, Jaipur.

----Petitioner

Versus

Union Of India, Through Intelligence Officer, Director General Of Goods And Service Tax Intelligence, Jaipur Zonal Unit, Jaipur.

----Respondent

Rajasthan High Court
सत्यमेव जयते
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For Petitioner(s)	:	Mr. Madhav Mitra, Sr. Adv. Assisted by Mr. Arjun Singh, Adv. Mr. Daksh Pareek, Adv. Ms. Jaya Mitra, Adv.
For Respondent(s)	:	Mr. Kinshuk Jain, Sr. Adv. Standing Counsel for DGGI with Mr. Sourabh Jain, Adv. Mr. Akshay Bhardwaj, Adv. with Mr. Mohit Kumar Soni, Adv.

HON'BLE MR. JUSTICE PRAVEER BHATNAGAR

Order

Date of conclusion of arguments	**::**	**15.04.2026**
Date on which order was reserved	**::**	**15.04.2026**
Whether the full order or only the operative part is pronounced	**::**	**Full Order**
Date of pronouncement	**::**	**18 .04.2026**

Reportable

1. The instant bail application has been filed under Section 483 of Bharatiya Nagarik Suraksha Sanhita, 2023 (in short, 'BNSS') on behalf of the accused-petitioner. The petitioner has been arrested in connection with Case No. F. NO. DGGI/INT/INTL/755/2025-Gr-N registered by the Directorate General of GST Intelligence, Jaipur

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Zonal Unit, for the offences under Sections 132(1)(a),(f),(h),(l) of the Central Goods and Services Tax Act, 2017 (in short, 'CGST Act').

2. Learned counsel for the accused-petitioner submits that petitioner has been falsely implicated in the present case and he has no involvement in the alleged offence. It is contended that the entire case of the department rests primarily on the statements recorded of the other co-accused- Narendra Chaudhary under Section 70 of the CGST Act and apart from the same, there is no independent or corroborative material on record connecting the petitioner with the syndicate who is responsible for creating fake firms and issuance of fake bills/invoices and e-ways bills for supply of granite and marbles.

3. It is further submitted that the petitioner satisfies the triple test, inasmuch as he has no criminal antecedents and is a permanent resident and, therefore, there is no likelihood of his absconding. It is contended that the entire case rests on documentary evidence already in the possession of the Department and there is no possibility of the petitioner tampering with the evidence or influencing the witnesses. The alleged offences are triable by a Magistrate and carry a maximum punishment of five years.

4. It is further submitted that the investigation in the present case stands concluded and a detailed complaint has already been filed and no further custodial interrogation of the petitioner is required. The accused petitioner is in judicial custody since 13.08.2025 and has undergone a substantial period of

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incarceration and no recovery of any document or material remains to be effected from him.

5. Learned Counsel for the petitioner further submits that no substantial progress has been made in the trial and the proceedings are moving at a snail's pace. The petitioner is in custody for a considerable period and considering that the maximum punishment prescribed under Section 132 of the CGST Act is five years, the continued incarceration of the petitioner is unjustified. Furthermore, in view of the mandate laid down under Section 480(6) of BNSS (old, Section 437(6) Cr.P.C), the petitioner is entitled to be enlarged on bail.

6. Lastly, it is submitted that considering the voluminous documentary evidence and the multiplicity of transactions involved in the present case, the trial is likely to take considerable time for its conclusion. The petitioner has already been in custody for a substantial period of time and continued incarceration would serve no useful purpose and prolonged detention of the petitioner would amount to an unwarranted curtailment of his personal liberty guaranteed under Article 21 of the Constitution of India, therefore, considering the period of custody already undergone by the petitioner and likely delay in conclusion of trial, the present bail application may be allowed.

7. In support of his arguments, learned counsel for the petitioner has placed reliance upon the following judgments passed by the Hon'ble Apex Court as well as this Court:-

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A. **State of Gujarat Vs. Mohanlal Jitamalji Porwal**, (1987) 2 SCC 364;

B. **Nimmagadda Prasad Vs. CBI**, (2013) 7 SCC 466;

C. **Serious Fraud Investigation Office Vs. Nittin Johari**, (2019) 9 SCC 165;

D. **Ratnambar Kaushik Vs. Union of India**, (Special Leave to Petition (Crl.) No.10319 of 2022)

E. **Vineet Jain Vs. Union of India**, (Special Leave to Petition (Crl.) No. 4349/2025)

F. **Naveen Yadav Vs. Union of India**, (S.B. Criminal Misc. Bail Application No.6426/2025)

G. **Mohit Vijay Vs. Union of India**, (S.B. Criminal Misc. Bail Application No.7605/2024)

8. Per contra, learned counsel for the respondent-Union of India has opposed the bail application and submits that the petitioner is actively involved in a well-organized syndicate engaged in large scale GST evasion, as the petitioner in connivance with the other co-accused, created and operated multiple fake firms by misusing identities of other persons and generated bogus invoices, e-way bills and transport documents, etc., without actual supply of goods, thereby facilitating wrongful availment and passing on of inadmissible Input Tax Credit.

9. Learned counsel submits that the investigation has revealed that the petitioner was part of a larger conspiracy involving clandestine supply of marble and granite across the country without payment of GST and that the magnitude of tax evasion in the present case is to the tune of approximately

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Rs.48,41,21,094/- which is well above the threshold as prescribed under Sections 132(1)(a),(f),(h),(l) read with Section 132(5) of the CGST Act, making the offence cognizable and non-bailable.

10. It is further submitted that during the course of investigation, search operations were conducted under Section 67(2) of the CGST Act and incriminating documents and electronic evidence were recovered and after considering the statements of the petitioner and other co-accused recorded under Section 70 of the CGST Act, prima facie it is established that the petitioner was involved in the alleged offence.

11. It is also submitted that the movement of goods was shown through fictitious transport entities, namely M/s Shri Mahadev Transport Company and M/s Har Har Mahadev Logistics, which were found to be non-existent and part of the same fraudulent network. The petitioner is not a mere facilitator but an active participant in the entire conspiracy and has played a key role in generation of fake invoices and e-way bills and in routing of transactions through such shell entities.

12. Learned counsel for the respondent further submits that the provisions of Section 480(6) of the BNSS are not applicable in the present case, as the complaint has been filed under the CGST Act, which is a special statute and the trial is to be governed by the provisions of the said act and not by the general provisions of BNSS. It is further contended that even otherwise, the reasons assigned by the learned trial Court while rejecting the bail application, particularly that economic offences involving huge loss

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to the public exchequer are required to be viewed with a stricter approach which constitutes justified grounds for non-conclusion of the trial within the stipulated period.

13. It is also contended that the earlier bail applications filed by the petitioner have already been rejected by the learned Trial Court vide order dated 19.09.2025 and thereafter by learned Additional Session Judge No.9, Jaipur Metropolitan-II, Jaipur vide order dated 14.10.2025 and no change in circumstances has been pointed out so as to warrant reconsideration of the present bail application.

14. Lastly, it is argued that considering the nature and gravity of the offence, the possibility of the petitioner influencing witnesses and tampering with the evidence cannot be ruled out and, therefore, the petitioner does not satisfy the parameters for grant of bail. The bail applications of similarly placed co-accused persons have already been rejected by the Co-ordinate Bench of this Court and considering the fact that the economic offences constitute a class apart, having serious repercussions on the financial health of the country and are required to be viewed with a stricter approach, therefore, considering the nature and gravity of offence, the instant bail application may be dismissed.

15. Learned counsel for the respondent has placed reliance upon the following judgments passed by the Hon'ble Apex Court as well as this Court:-

A. **Y.S. Jagan Mohan Reddy Vs. CBI**, (2013) 7 SCC 439;

B. **Nimmagadda Prasad Vs. CBI**, (2013) 7 SCC 466;

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C. **Ram Narain Poply Vs. CBI**, (2003) 3 SCC 641;

D. **Kalyan Chandra Sarkar Vs. Rajesh Ranjan**, (2004) 7 SCC 528;

E. **Syed Mohammad Zama Vs. State of Rajasthan**, (S.B. Criminal Misc. Bail Application No.11193 & 13466 of 2014)

16. Heard learned counsel for the parties and perused the material available on record.

17. The allegations in the present case pertain to offences under Section 132 of the CGST Act, which relate to fraudulent availment and passing on of Input Tax Credit by way of issuance of fake invoices and e-way bills without actual supply of goods. The material collected during the course of investigation, including documentary evidence as well as the statements of co-accused persons recorded under Section 70 of the CGST Act, prima facie indicates that the petitioner was actively involved in the alleged offence and was operating more than two firms as part of the alleged syndicate engaged in such activities.

18. The investigation has revealed that the accused petitioner, in collaboration with co-accused Narendra Chaudhary and others, orchestrated the creation of fake companies to facilitate the transportation of taxable goods, including marble and granite, using false or non-existent firms, counterfeit bills, and by generating fraudulent e-way bills. The petitioner, acting as the mastermind behind these sham documents, falsely indicated that goods were transported when none were ever transported. Furthermore, these fake companies and their suppliers in Kishanganj and Rajasthan operated on a commission basis,

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successfully evading GST totalling Rs. 48,41,21,094 crore on a taxable value of Rs. 2,68,79,96,177/- with the possibility of further escalation. The documents show bills issued in the names of M/S Shri Mahadev Transport Company and Har Har Mahadev Transport Company, in which the accused petitioner had a financial interest, as revealed during the investigation. The WhatsApp chats obtained from the petitioner exposes a startling reality, that between the month of January, 2025 to July 2025, goods valued at Rs. 63 crore were covertly smuggled out via M/S Rajasthan Granite Marble and M/S Ganesh Enterprises, all without paying GST, with the fake bills culminating in an estimated tax evasion of Rs. 11.34 crore. The accused petitioner- Hansraj Gurjar, faces serious charges under Sections 132(1)(a),(f),(h),(l) of the CGST Act, which represents a stark example of white-collar crime that impacts the economy. Therefore, at this stage, there is no evidence to suggest wrongful implications and therefore, considering the gravity of offence and the magnitude of the amount involved, granting bail seems unwarranted.

19. Additionally, the Co-ordinate bench of this Court has rejected the bail application filed on behalf of other co-accused Narender Choudhary in S.B. Criminal Miscellaneous Bail Application No. 14559/2025 vide order dated 28.11.2025 and the petitioner's role in the crime is not distinguishable.

20. In view of the nature of the accusations, the scale of the alleged tax evasion and the material gathered during the course of investigation, this Court finds that the case involves an economic

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offence arising out of a structured and deep-rooted conspiracy, resulting in significant loss to the public exchequer.

At this juncture, it becomes apposite, to refer to the observations made by the Hon'ble Supreme Court in the case of **Y.S. Jagan Mohan Reddy Vs. CBI, (2013) 7 SCC 439**, wherein it has been held that economic offences constitute a class apart and are required to be viewed with a different approach while considering the prayer for bail and held as under:-

> "**15**. Economic offences constitute 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 as grave offences affecting the economy of the country as a whole and thereby posing serious threat to the financial health of the country.
>
> **16**. While granting bail, the court has to keep in mind the nature of accusations, the nature of evidence in support thereof, the severity of the punishment which conviction will entail, the character of the accused, circumstances which are peculiar to the accused, reasonable possibility of securing the presence of the accused at the trial, reasonable apprehension of the witnesses being tampered with, the larger interests of the public/State and other similar considerations."

21. So far as the contention with regard to adopting a liberal approach in view of the mandate of Section 480(6) of the BNSS is concerned, this Court is of the view that the said provision does not confer any absolute or indefeasible right upon the petitioner to be released on bail. Article 21 of the Indian Constitution states that personal liberty cannot be curtailed without due legal process. This foundational principle of our criminal laws underscores the essential balance between justice and individual rights. The

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authority granted to arrest and grant bail is a critical component of punitive laws, emphasizing the necessity of a fair judicial process.

22. The procedures outlined in the CrPC, BNSS, and special statutes concerning bail in non-bailable cases, especially those involving life imprisonment or the death penalty are fundamentally discretionary. These processes hinge on key factors, including the particulars of the case, societal implications, the accused petitioner conduct and the potential for evidence tampering and the deliberate nature of economic crimes must be given heightened consideration.

23. It is also to be noted that Section 480(6) of BNSS or 437(6) of Cr.P.C does not impose mandatory requirements but instead empowers the court to grant bail if a trial is not concluded within 60 days. Nevertheless, the Magistrate retains the authority to deny bail taking into consideration the peculiar facts and circumstance of the case. This procedural framework empowers individuals to seek bail and mandates that the court provide justified logic. These procedures stem directly from the fundamental principles enshrined in Article 21 of the Indian Constitution and have consistently withstood judicial scrutiny.

24. Furthermore, the Hon'ble Apex Court in the case of **Subhelal v. State of Chhattisgarh, (2025) 5 SCC 140**, while interpreting the erstwhile provision of Section 437(6) of Cr.P.C, has observed as under:-

> "**11**. Later part of sub-section (6) of Section 437 of the Code empowers a Magistrate to refuse bail by assigning reasons. In our view, the legislature has incorporated this provision with a view to recognise right of an accused for a speedy trial with a view to protect

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individual liberty. At the same time, the legislature has tried to strike a balance by allowing the Magistrate to refuse bail by assigning reasons in a given set of circumstances. **Meaning thereby, that where in the opinion of the Magistrate, it is not proper or desirable or in the interest of justice to release such accused on bail, he may refuse bail by assigning reasons. The provisions of Section 437(6), as such, cannot be considered to be mandatory in nature and cannot be interpreted to grant an absolute and indefeasible right of bail in favour of accused**."

(Emphasis Supplied)

25. Moreso, on this aspect, regards must be held to Section 479 of BNSS, which reads as follows: -

"**479. The maximum period for which undertrial prisoner can be detained.**

(1) Where a person has, during the period of investigation, inquiry or trial under this Sanhita of an offence under any law (not being an offence for which the punishment of death or life imprisonment has been specified as one of the punishments under that law) undergone detention for a period extending up to one-half of the maximum period of imprisonment specified for that offence under that law, he shall be released by the Court on bail:

Provided that where such person is a first-time offender (who has never been convicted of any offence in the past), he shall be released on bond by the Court if he has undergone detention for the period extending up to one-third of the maximum period of imprisonment specified for such offence under that law:

Provided further that the Court may, after hearing the Public Prosecutor and for reasons to be recorded by it in writing, order the continued detention of such person for a period longer than one-half of the said period or release him on bail bond instead of his bond:

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Provided also that no such person shall in any case be detained during the period of investigation, inquiry or trial for more than the maximum period of imprisonment provided for the said offence under that law.

Explanation.-In computing the period of detention under this section for granting bail, the period of detention passed due to delay in proceeding caused by the accused shall be excluded.

(2) Notwithstanding anything in sub-section (1), and subject to the third proviso thereof, where an investigation, inquiry or trial in more than one offence or in multiple cases are pending against a person, he shall not be released on bail by the Court.

(3) The Superintendent of jail, where the accused person is detained, on completion of one-half or one-third of the period mentioned in sub-section (1), as the case may be, shall forthwith make an application in writing to the Court to proceed under sub-section (1) for the release of such person on bail."

26. The proviso appended to the above section specifies that if a person is a first-time offender and has undergone detention of one-third of the punishment provided, he shall be released on bail, which means thereby that the first-time offender may be detained lawfully up to a period of one-third of the imprisonment provided under the offence committed.

27. These procedures safeguards are enacted by the legislature and fundamentally flow from Article 21 of the Constitution. This established procedure firmly reinforces that the right to bail is contingent upon the just discretion of the Court. It is also to be noted that while bail is generally the rule and jail is the exception, the decision rests firmly on objective criteria and judicial discretion, ensuring that courts apply the same in accordance with

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the broad principles governing the granting or refusal of bail in individual cases.

28. Furthermore, the contention with regard to the period of custody undergone by the petitioner, in the facts and circumstances of the present case, by itself cannot be treated as a determinative or sole factor for grant of bail, as mere length of incarceration, in absence of any other mitigating circumstances, does not entitle the petitioner to be enlarged on bail, more particularly when the allegations pertain to a serious economic offence involving substantial loss to the public exchequer.

29. Therefore, in view of the aforesaid facts and after considering the nature and gravity of the offence, the magnitude of the alleged evasion and the material available on record, without commenting anything on the merits of the case, this Court is not inclined to enlarge the accused-petitioner on bail.

30. Accordingly, the instant bail application preferred by the accused petitioner is hereby dismissed.

(PRAVEER BHATNAGAR),J

Ramesh Vaishnav/-38s

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