

Paresh Nathalal Chauhan v. The State of Gujarat and another

Case number: Criminal Appeal Nos. 164–165/2022, arising out of SLP (Criminal) Nos. 9458–9459/2021.

Citation: No neutral or reported citation is printed in the official source PDF.

Decision date: 1 February 2022

GST prosecution: regular bail after 25 months of custody where the maximum sentence was five years

Court: Supreme Court of India

Bench: Sanjay Kishan Kaul and M.M. Sundresh, JJ.

Decision stage: Final disposal of the criminal appeal after grant of leave; limited to bail, without determining guilt or tax liability.

01 Facts of case and issues

Paresh Nathalal Chauhan sought bail in proceedings arising from alleged GST evasion. The impugned Gujarat High Court orders were dated 26 April 2021 and 5 July 2021. A complaint had been filed, although investigation was said to continue. The appellant had spent 25 months in custody against a possible maximum sentence of five years.

His counsel relied on separate litigation concerning officers' conduct during a search and alleged that continued detention was retaliatory. The State opposed bail, alleging habitual offending, absconding co-accused and evasion of approximately ₹64 crore. Those allegations and the appellant's account of the search are submissions recorded in the order, not determinations of guilt or adjudicated tax liability.

Pinpoint: Official PDF pp. 1–3, counsel's submissions and the Court's custody assessment; p. 5, impugned-order identifiers.

02 Discussion by Hon'ble Court

The Supreme Court concluded that the appellant could not be detained indefinitely, particularly after 25 months of custody when the maximum possible sentence was five years and a complaint had already been filed. It considered the case's particular circumstances rather than declaring an automatic time-served rule for all GST bail applications.

The Court also expressed the view that the respondent's stance had been influenced by proceedings brought by the appellant and family members concerning officers' conduct, which had led to adverse consequences for the officers. It acknowledged that certain related proceedings remained pending. This bail-stage observation does not resolve every allegation about the search or the officers' legal protection.

Pinpoint: Official PDF p. 3, the Court's reasons beginning with its overall assessment of the matter.

03 Judicial decision and operative relief

After granting leave and hearing the parties, the Court granted bail on terms and conditions to the satisfaction of the trial court. It cautioned, through counsel, that the appellant must avoid involvement in such activities in future. The criminal appeals were allowed; the record of proceedings also disposed of pending applications.

Pinpoint: Official PDF pp. 1 and 3–5, leave, bail direction, caution and final disposal.

04 In favour of

Paresh Nathalal Chauhan on conditional regular bail.

The two connected bail appeals ended with release on terms to be fixed to the trial court's satisfaction. The order did not acquit the appellant, quantify GST liability, or conclude the separate dispute about officers' conduct. The alleged ₹64 crore evasion and habitual-offender characterisation remained the State's submissions.

Pinpoint: Official PDF pp. 2–5, opposition to bail, reasons and operative order.

05 AKHB REVIEW POINT

AKHB analysis: A comparable bail application should establish the verified custody period, applicable maximum punishment, complaint and investigation status, and the particular reasons further detention is sought. Do not turn this fact-specific order into a universal entitlement to bail after 25 months or after a fixed percentage of the possible sentence.

Keep submissions about alleged retaliation and prior conduct distinct from the Court's actual observations. Review related proceedings separately and obtain the trial court's bail-condition order. This 2022 criminal-bail decision is separate from the State's civil appeal decided on 12 March 2024 about the officers' search-related dispute.

Pinpoint: AKHB analysis based on official PDF pp. 1–5 and the separately indexed 2024 proceeding identity; no additional judicial holding.

Sources and limitations

GST provisions: no specific section number is printed in the signed order.

Statutory note

The signed order expressly identifies GST-evasion proceedings and a maximum five-year sentence, but it does not print a particular GST section or offence clause. This note does not infer section 132 or any subsection from secondary reporting.

Treatment note

This note records the Supreme Court order as delivered. The subsequent prosecution, implementation of bail directions and any later modification or cancellation have not been comprehensively checked. Source verification does not establish that no later proceedings exist.

Scope of source review

Complete 5-page official PDF read and all pages visually checked: signed order on pages 1–4, followed by the record of proceedings. Date, bench, party identity and disposal verified against both components.

Source notes

This record covers the final criminal-bail decision of 1 February 2022, Criminal Appeal Nos. 164–165/2022. It is distinct from the existing record for *State of Gujarat v. Paresh Nathalal Chauhan*, Civil Appeal No. 4618/2024, decided on 12 March 2024.

The Court describes 25 months as almost half of the possible five-year sentence. The note preserves the actual custody and maximum-sentence figures without treating the approximate comparison as an exact mathematical threshold.

Search-related events and the alleged evasion figure are attributed to the submissions in which they appear. The Court's separate observation about the respondent's stance is described as a bail-stage assessment.

All five pages were read and visually reviewed: signed order on pages 1–4 and corresponding record of proceedings on page 5.

Primary source

Source description: Official Supreme Court PDF: 4-page signed order followed by 1-page record of proceedings.

Official source:

https://api.sci.gov.in/supremecourt/2021/29520/29520_2021_36_10_33071_Order_01-Feb-2022.pdf

Source pages: 5

Outcome type: final-procedural

Disclosures and source rights

AI disclosure: Prepared with AI assistance from the complete official Supreme Court source identified in this note. No human legal review is claimed.

General disclaimer: For professional information only; not legal advice. Read the complete decision and applicable law, verify subsequent treatment and obtain case-specific professional advice before acting.

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