

Subhash Chouhan v. Union of India & Anr.

Case number: Criminal Appeal No. 186 of 2023, arising out of Special Leave Petition (Criminal) No. 6640 of 2022

Citation: No neutral citation is printed in the official signed order; none independently verified.

Decision date: 20 January 2023

Removal of a ₹70 lakh monetary condition attached to bail in an alleged wrongful GST input-tax-credit prosecution

Court: Supreme Court of India

Bench: Krishna Murari and B.V. Nagarathna, JJ.

Decision stage: Final reasoned disposal of a criminal appeal after grant of leave, confined to a bail condition.

01 Facts of case and issues

The Chhattisgarh High Court granted Subhash Chouhan bail by its order dated 21 June 2022 in MCRC No. 900 of 2022. One condition required him to deposit ₹70 lakh under protest with the Principal Commissioner, CGST, Raipur within 45 days of release. His Supreme Court appeal challenged that monetary condition. In recording the appellant's submissions, the signed order identifies the allegation as wrongful availment of input tax credit of ₹6,95,32,472. It supplies no detailed transaction history and makes no finding of guilt or quantified tax liability.

Pinpoint: Official PDF pages 1–2, unnumbered signed order; page 3, ROP caption identifying the High Court proceeding.

02 Discussion by Hon'ble Court

The issue was whether the ₹70 lakh deposit condition attached to bail could stand. The appellant argued that there was no final assessment under the GST Act and therefore no legal liability to pay that amount could be presumed. This absence of final assessment is a recorded submission, not an independent tax finding made by the Court. Additional Solicitor General K.M. Nataraj, appearing for the Union of India/State, fairly stated that such a condition could not be imposed while granting bail. Considering the stated circumstances, the Court held that the challenged monetary condition was unsustainable. The short order does not adjudicate ITC eligibility, the validity of arrest or assessment, or the ingredients of any GST offence.

Pinpoint: Official PDF pages 1–2, appellant's submissions, ASG's statement and the Court's reasoning; unnumbered paragraphs.

03 Judicial decision and operative relief

The Court granted leave, set aside the condition requiring the appellant to deposit ₹70 lakh, and sustained the remaining conditions in the High Court's order. The criminal appeal was allowed to that limited extent; pending applications were disposed of. The source contains no direction to refund an amount already deposited and does not specify what the surviving bail conditions were.

03 Judicial decision and operative relief

Pinpoint: Official PDF page 1, grant of leave; page 2, operative paragraphs and signed date; page 3, matching disposition in the ROP.

04 In favour of

Appellant, limited to removal of the ₹70 lakh bail condition; remaining conditions preserved.

In favour of Subhash Chouhan on the disputed monetary bail condition. The Supreme Court finally disposed of this appeal, leaving the other bail conditions in place. This procedural relief did not determine guilt or erase any tax liability that might lawfully be established in the appropriate proceedings.

Pinpoint: Official PDF page 2, complete operative portion; page 3, ROP.

05 AKHB REVIEW POINT

AKHB analysis: Keep the bail-condition question separate from tax adjudication. Identify the precise challenged condition, its relationship to release, and any surviving requirements in the trial-court or High Court order. The appellant's assertion that no final assessment existed should not be recast as a Supreme Court finding that no GST was payable, or as a general ruling that an assessment must precede arrest. This order also does not abolish lawful bail bonds or statutory deposits required to pursue tax appeals. A request for repayment of money already deposited would require its own legal and factual foundation; this source makes no such refund direction.

Pinpoint: AKHB commentary based on the signed order, official PDF pages 1–2; practical implications are not additional judicial directions.

Sources and limitations

Relevant provisions

Central Goods and Services Tax Act, 2017: alleged wrongful input-tax-credit matter; the Supreme Court order does not specify any section number.

Statutory note

The order refers to GST and alleged wrongful input tax credit but names no statutory section. Section 132 or other provisions are not added from secondary descriptions. Its recorded assessment argument does not decide the statutory conditions governing arrest, prosecution or tax recovery. Current statutory text and case-specific applicability require separate verification.

Treatment note

The official original was checked on 18 October 2026. Makhijani Pushpak Harish v. State of Gujarat, Criminal Appeal No. 1193 of 2023, dated 19 April 2023, paragraphs 7–11, expressly follows this order in setting aside a bank-guarantee bail condition. That identified later application is not an exhaustive subsequent-treatment or review-docket check. The prosecution outcome, surviving bail conditions and any later modification remain unverified.

Scope of source review

All three PDF pages read and visually inspected: signed order on pages 1–2 and matching ROP on page 3. The paragraphs are unnumbered. The appeal number, SLP number, date, bench and limited disposition are printed in the official source. The electronic signature block is present; no separate cryptographic-signature certification is made.

Source identity notes

Criminal Appeal No. 186 of 2023, arising out of Special Leave Petition (Criminal) No. 6640 of 2022

Primary source

Source description: Official Supreme Court signed order and matching record of proceedings.

Official source:

https://api.sci.gov.in/supremecourt/2022/21340/21340_2022_13_51_41185_Order_20-Jan-2023.pdf

Source pages: 3

Outcome type: Final reasoned disposal of a criminal appeal after grant of leave, confined to a bail condition.

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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Source checked: 18 October 2026