

Kundan Singh v. The Superintendent of CGST and Central Excise

Case number: SLP (Crl.) No. 9111 of 2025; arising from the Madras High Court order dated 14 May 2025 in Crl. O.P. No. 14718 of 2025

Citation: Order dated 23 June 2025; no neutral citation printed

Decision date: 2025-06-23

Voluntarily offered monetary bail conditions in a CGST prosecution and fresh merits consideration

Court: Supreme Court

Bench: K.V. Viswanathan and Nongmeikapam Kotiswar Singh, JJ.

Decision stage: SLP disposed of with fresh bail consideration on remand and limited interim protection

01 Facts

The prosecution alleged evasion of Rs. 13.73 crore under the CGST Act; the Supreme Court did not decide whether that allegation was proved. The petitioner was arrested on 27 March 2025. Before the High Court, his counsel represented that Rs. 2.86 crore had already been deposited and later voluntarily offered an additional Rs. 2.50 crore, without prejudice to the defence, within ten days after release, with an assurance that no time-extension application would be made. On 8 May 2025 the High Court granted bail without further merits discussion, requiring Rs. 50 lakh before release and the remaining Rs. 2 crore within ten days after release, along with a Rs. 10,000 bond and other conditions. A modification application dated 12 May cited personal circumstances and asked that the Rs. 50 lakh also be payable after release. On 14 May 2025 the High Court permitted the entire Rs. 2.50 crore to be deposited within ten days after release, failing which the bail petition would be treated as dismissed; other conditions remained. The petitioner challenged that modification order, arguing that the monetary condition was onerous and that counsel lacked authority to offer the deposit. By the Supreme Court hearing, he had secured release under the High Court order.

Pinpoint: Paragraphs 4-7 and 9-11; official PDF pages 2-5. The alleged liability and earlier deposit are recorded in paragraph 4; the undertaking and original terms in paragraph 5; modification in paragraph 6.

02 Court Discussion

The Court accepted the principle that excessive bail conditions can defeat the grant of bail and that onerous conditions ought not to be imposed; whether a condition is onerous depends on the individual facts. It nevertheless strongly disapproved of securing bail through a voluntary monetary offer that pre-empts merits consideration and then resiling from that offer by alleging lack of counsel authority or hardship. In this case the modification application had not alleged that counsel lacked authority; it had sought only to defer the Rs. 50 lakh payment until after release. The Court reasoned that without the initial offer the High Court would have considered bail on its merits and might or might not have granted it. The Court balanced the petitioner's Article 21 rights with the integrity of the judicial process and decided that fresh consideration was required. It did not resolve this tension by validating every monetary bail condition or by preserving the existing bail grant while simply deleting the deposit requirement. Both High Court orders had to be set aside so that the bail application could be considered afresh, without influence from the Supreme Court's observations. The personal circumstances recorded in the modification application justified limited protection from immediate surrender during that transition.

Pinpoint: Paragraphs 2-3 and 8-12; official PDF pages 1-2 and 4-5. Excessive-condition principle: paragraph 8, page 4; voluntary-offer reasoning: paragraphs 9-10, page 4; limited protection: paragraph 11, page 5.

03 Decision

The original bail order dated 8 May 2025 and the modification order dated 14 May 2025 were both set aside. Crl. O.P. No. 14718 of 2025 was restored to the Madras High Court for fresh consideration on merits, uninfluenced by the Supreme Court's observations. The papers were to be placed before the High Court Chief Justice on or before 30 June 2025 for immediate placement before the appropriate court, with a request for expeditious disposal in accordance with law. The petitioner was protected from surrendering on the same bond only until the first High Court listing after remand. The High Court remained free to pass appropriate orders on the merits. The SLP and pending applications were disposed of. The Supreme Court did not itself grant final bail, order a refund of deposits or give unconditional ongoing protection from surrender.

Pinpoint: Paragraphs 10-15; official PDF pages 4-5. Exact endpoint of surrender protection: paragraph 13, page 5.

04 In Favour Of

Qualified procedural relief to the petitioner: fresh bail consideration and limited surrender protection; existing bail orders set aside

A remand with limited interim protection, rather than a final bail victory for the petitioner. He obtained a fresh merits hearing and temporary protection from surrender, but also lost the benefit of both High Court bail orders, which were set aside. Neither criminal liability nor ultimate entitlement to bail was determined. The Court's criticism of the voluntary-offer practice must be read alongside its express recognition that excessive or onerous bail conditions are impermissible.

Pinpoint: Paragraphs 8-15; official PDF pages 4-5.

05 AKHB REVIEW POINT

AKHB REVIEW POINT: Before offering any monetary undertaking to obtain bail, record the client's informed instructions, ability to comply, intended timing and legal position. A voluntary offer can materially affect how the court handles the application; a later challenge must accurately disclose the undertaking and the grounds actually raised in any modification application. Prepare the bail case on its merits and address proportionality of proposed conditions, rather than treating payment as a substitute for judicial consideration. This order is not authority that every deposit offered by counsel is automatically valid or unchallengeable, nor that every tax-linked bail condition can be removed while retaining the underlying bail order. For this litigation, any advice about custody or liberty must begin with the first High Court listing after remand and the orders made there. The Supreme Court's protection ended by reference to that listing, not by a continuing indefinite exemption from surrender. Do not treat the historical Rs. 13.73 crore allegation as an established tax debt or the recorded deposit representation as independent proof of payment.

Pinpoint: AKHB analysis based on paragraphs 4-15; official PDF pages 2-5.

Sources and limitations

Relevant provisions

Central Goods and Services Tax Act, 2017: sections 132(1)(a), 132(1)(i) and 132(5), as the alleged offence provisions identified in paragraph 4

Constitution of India: Article 21, discussed in paragraph 10

Bail, monetary undertakings and limited protection from surrender pending the first post-remand High Court listing

Statutory note

This note concerns bail procedure and the consequence of the voluntary monetary offer in this case. The listed section 132 provisions are those identified in paragraph 4; their substantive ingredients and the petitioner's guilt were not adjudicated. The order does not establish a new general tax-recovery mechanism through bail deposits or override the requirement that bail conditions be reasonable on the facts.

Treatment note

Primary order and available official Court metadata checked on 12 October 2026. The remand directions and surrender protection describe the relief on 23 June 2025. The first post-remand High Court listing, later bail orders, actual payments and current custody or prosecution status have not been verified; continuing protection or continued pendency is not asserted. This AI-assisted AKBH research note is not evidence of human legal review and is not a substitute for professional advice on a particular case.

Scope of source review

Complete five-page official ROP read, paragraphs 1-15. Party names, SLP number, High Court proceeding, hearing date and bench checked on page 1; operative directions and registry authentication checked on page 5. No neutral citation is printed. The digital processing stamp dated 24 June 2025 is distinct from the order date of 23 June 2025. No merits determination of the prosecution allegation is supplied by this order.

Primary source

Source description: Supreme Court of India official reasoned Record of Proceedings dated 23 June 2025

Official source: [Open source document](#)

AKHB source PDF: [Open source document](#)

Judges: K.V. Viswanathan; Nongmeikapam Kotiswar Singh

Outcome kind: procedural

Disclosures and source rights

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