**HIGH COURT OF JUDICATURE AT ALLAHABAD
LUCKNOW**

CRIMINAL MISC. BAIL APPLICATION No. - 1953 of 2026

Ambrish Nath Tiwari
.....Applicant(s)

Versus

Uoi Thru. Directorate General Of Gst Intelligence Lko.
.....Opposite Party(s)

Counsel for Applicant(s)	:	Ambuj Singh, Dr. Pooja Singh, Sweety Pandey
Counsel for Opposite Party(s)	:	Digvijay Nath Dubey, Dheeraj Srivastava

Court No. - 28

HON'BLE RAJEEV BHARTI, J.

Counter affidavit filed today is taken on record.

Heard learned counsel for the accused-applicant as well as Sri Dheeraj Srivastava, learned counsel for the respondents and perused the record.

In the prosecution case, it is alleged that the applicant, by fraudulently generating fake Input Tax Credit (ITC) and issuing bogus invoices on the GST portal, utilized the same to set off the output tax liability arising from M/s RVNL Contracts instead of depositing the tax collected from M/s RVNL, the applicant discharged the output tax liability by using such fake ITC and thereby caused wrongful loss to the public exchequer to the tune of Rs. 32.66 crore. It is further alleged that the applicant is engaged in the systematic generation and utilization of fraudulent ITC and issuance of fake invoices without any underlying supply of goods or services.

Learned counsel for the accused-applicant submits that the applicant was taken away by the officers of the Directorate General of GST Intelligence, Lucknow Zonal Unit, Lucknow, on 16.02.2026; however, he has been shown to have been arrested on 18.02.2026 and was remanded to judicial custody till 27.02.2026. It is submitted that the Department sought only judicial custody and no custodial remand was ever taken, which indicates that the Department was satisfied with the interrogation already conducted and did not consider any further custodial interrogation necessary.

It is further submitted that no sufficient grounds of arrest have been disclosed in the arrest memo. The original arrest memo and the copy supplied to the applicant are stated to be different and not identical, inasmuch as the grounds of arrest have not been mentioned in the copy furnished to the applicant. It is thus contended that the arrest memo has been prepared in violation of Article 22(1) of the Constitution of India. It is also submitted that the arrest memo reflects non-application of mind, as it states that the applicant has committed offences under clause (a) or (b) or (c) or (d) of sub-section (1) of Section 132 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "Act of 2017") thereby indicating that the prosecuting agency itself was uncertain as to the exact offence alleged.

It is further submitted that although the arrest memo is dated 18.02.2026, it does not indicate that any separate grounds of arrest or "reasons to believe" were provided therein. The alleged reasons for arrest were furnished on a separate sheet of paper, which does not form part of the arrest memo. A perusal of the arrest memo (Annexure No. 2) shows ambiguity regarding the specific offence attributed to the applicant.

Learned counsel for the applicant further submits that under Section 6(b) of the Act of 2017, where proceedings on a subject matter have been initiated by a proper officer under the SGST Act, parallel proceedings by a proper officer under the CGST Act are not permissible. It is submitted that four firms allegedly controlled by the applicant have already been issued notices under Section 70 read with Section 67 of the Act of 2017 by the Deputy Commissioner, State GST, Ayodhya Division-B, Ayodhya, for furnishing necessary documents. Copies of the notices and replies are on record as Annexure No. 5 to the bail application. During adjudication, these firms have deposited a total sum of Rs. 4,85,20,637/-, receipts whereof are on record as Annexure No. 6. It is thus submitted that simultaneous proceedings under the SGST Act and CGST Act are not permissible and are unwarranted.

It is also submitted that the alleged offences are triable by a Magistrate and carry a maximum sentence of five years. The entire case is based on documentary evidence, which is already in the custody of the prosecuting agency.

The co-accused Vikas Singh has been granted bail vide order passed in Bail No.1804 of 2026.

It has further been submitted that the applicant is in jail since 18.02.2026 and, in the event of being enlarged on bail, there is no likelihood of his fleeing from the course of justice. The applicant undertakes to abide by all conditions imposed by the Court and to cooperate in the expeditious trial of the case.

Per contra, Sri Dheeraj Srivastava, learned counsel for the respondent has vehemently opposed the bail application. He submits that the arrest memo is in a printed proforma available on the Department's portal. He further submits that along with the arrest memo, the "grounds of arrest" and "reasons to believe" were duly served upon the applicant on the same day, i.e., 18.02.2026. He submits that the offences under Section 132(1)(b), (c) and other relevant clauses of the Act of 2017 are non-compoundable, non-bailable and cognizable.

With regard to the contention of illegal arrest on 16.02.2026, he submits that the same is incorrect. The applicant was arrested on 18.02.2026 following due procedure and was produced before the learned trial Court on the same day along with all relevant documents. No prejudice has been caused to the applicant, as the grounds of arrest and reasons to believe were duly communicated.

Perused the records and the law on the issue.

It is not disputed that no custodial remand of the applicant has been taken. The material appears to be primarily documentary in nature. The presence of the accused can be secured during trial. The applicant has no criminal antecedents, and the offence is punishable with imprisonment up to five years.

On due consideration to the fact and circumstances noted above, the bail order of the co-accused, the applicant has no criminal history, has been languishing in jail since 18.02.2026, no custodial remand has been taken, the evidence is primarily documentary in nature, and the applicant has undertaken to cooperate in the investigation, he is in jail since 18.2.2026, this Court finds it to be a fit case for enlarging the applicant on bail.

Accordingly, the bail application is allowed, also on parity ground.

Let the applicant- Ambrish Nath Tiwari involved in Case Crime/FIR No. 183 of 2026, under Sections 132(1)(b)(c) & (1) of CGST Act, 2017, Police Station-DGGI Lucknow, District-Lucknow, be released on bail on furnishing a personal bond and two sureties each in the like amount to the satisfaction of Magistrate/Court concerned, subject to following conditions:-

(i) the applicant shall not tamper with the prosecution evidence;
(ii) the applicant shall not pressurize the prosecution witnesses;
(iii) the applicant shall appear on each and every date fixed by the trial Court.
(iv) the applicant shall deposit his passport, if any, before the learned trial Court concerned.
(v) the applicant shall not leave the territorial limits of District Lucknow without prior permission of the learned trial Court concerned.

Any other condition(s) which the trial court/concerned court may deem fit and proper, in the circumstances of the case, may also be imposed in the interest of justice.

It is clarified that the observations made in this order are confined to the present bail application and shall have no bearing on the merits of the trial.

(Rajeev Bharti,J.)

March 26, 2026
kkb/