Gautam Sharma v. Union of India

Regular bail of a partner arrested under Section 132 CGST for fake ITC of Rs 38 crore, after CBIC's no-arrest circular.

Date of Order: November 6, 2026
Case Law No: GIB-AHC-2026-146
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Background

The applicant, a partner of Aarti Industry, was accused of availing fake ITC of about Rs 38 crore through nine suppliers under Section 132(1)(b), (c), (f) and (i). He had been in jail since 26.07.2026, investigation was complete and the complaint had been filed at Meerut. The department could not dispute the CBIC instruction of 30.10.2026 recording that no further arrests are to be made.

Final Verdict

The Court relied on Sanjay Chandra, Vineet Jain, Atul Mehra and Manish Sisodia, and noted that the maximum punishment is five years, the offence is triable by a Magistrate, the investigation is complete, and the applicant has no antecedents. **Taking into account the CBIC circular of 30.10.2026, the Court found that continued custody was not required.**

Bail was granted with conditions, without any opinion on the merits.

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