Kanhaiya Nilambar Jha vs. Union of India & Ors.

: Legality of summons and alleged illegal detention during GST inquiry – Sections 69, 70 and 132 of the CGST Act, 2017.

Date of Order: February 5, 2026
Case Law No: GIB-BHC-AUG-2026-12-DB
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Facts :

The petitioner alleged that GST officers illegally detained him from 17.06.2025 to 20.06.2025 after calling him to the office of a Chartered Accountant in connection with investigation into fraudulent input tax credit by M/s Kabsan Services Pvt. Ltd. He contended that he was taken into custody without summons and that the formal arrest was shown only on 21.06.2025 under Section 69 of the CGST Act for offences under Sections 132(1)(b), 132(1)(c) and 132(1)(i). The petitioner sought compensation of ₹10,00,000 for alleged illegal detention.

Court Decision:

The Court held that the petitioner had been issued summons under Section 70 of the CGST Act for inquiry and recording of statement. The petitioner acknowledged the summons and appeared before the authorities from 17.06.2025 to 20.06.2025 without raising any objection. The Court further held that Section 70 of the CGST Act does not require issuance of seven days' prior notice before appearance for inquiry and that attendance pursuant to summons for investigation cannot be treated as detention.

The Court observed that the petitioner was formally arrested on 21.06.2025 after ascertainment of his involvement and was produced before the Magistrate on the same day. Since the petitioner had voluntarily attended the inquiry and no illegal detention was established, the claim for compensation was rejected and the writ petition was dismissed.

Cases Referred by Court:

- *Joginder Kumar vs. State of U.P.*
- *D.K. Basu vs. State of West Bengal*
- *Dikshant vs. State of Maharashtra*
- *FSM Education Pvt. Ltd. vs. Union of India*

- *Ram Kotumal Issrani vs. Directorate of Enforcement*
- *Radhika Agarwal vs. Union of India*

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