Jai Kumar Aggarwal v. Directorate General of GST Intelligence

Habeas corpus challenge to arrest under Section 69 of the CGST Act, 2017 for non-supply of grounds of arrest and "reasons to believe", and legality of the consequent remand order.

Date of Order: February 11, 2026
Case Law No: GIB-AHC-2026-144
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Background

The petitioner's residence was searched by DGGI under Section 67 on 29.12.2025, and he was arrested under Section 69 on 16.01.2026 and remanded by the Chief Judicial Magistrate, Meerut on 17.01.2026 in a prosecution under Section 132(1)(c). He filed a habeas corpus petition seeking release and quashing of the remand order, contending that neither the grounds of arrest nor the reasons to believe were furnished before arrest or remand (relying on Radhika Agrawal and Mihir Rajesh Shah), that the arrest memo carried no annexure of grounds contrary to CBIC Instruction 01/2025-GST, and that arrest was unwarranted for an offence punishable up to five years (Satendra Kumar Antil; Instruction 02/2022-23). The Department argued that the petition was not maintainable, that reasons to believe are internal records not required to be supplied, and that the grounds of arrest were duly served on 16.01.2026.

Final Verdict

The Court held the writ maintainable since an illegal remand renders the arrest illegal (Senthil Balaji). It rejected the plea that reasons to believe must be supplied to the arrestee, holding that Radhika Agrawal only requires the Commissioner to record them explicitly with reference to material, and that the observation in paragraph 34 pertained to PMLA, not GST. It accepted that Satendra Kumar Antil applies to special statutes as well. However, the arrest memo mentioned no annexure, so the Department did not comply with its own Instruction dated 13.01.2025; there was a serious factual dispute on service of grounds before production; and the remand order neither recorded such service nor showed that the Magistrate examined whether the arrest rested on credible material. The Court therefore held the remand order legally infirm and set it aside, allowed the petition and directed release of the petitioner, with liberty to the Department to proceed afresh

in accordance with law.

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