Case Citation: (2026) taxcode.in 1355 HC
CNR No: PHHC011309852026
2026:PHHC:108501

IN THE HIGH COURT OF PUNJAB AND HARYANA CHANDIGARH

138

CRWP-9512-2026 (O&M)
Date of decision: 07.08.2026

RUPENDER SINGH CHHIKARA
…Petitioner

V/S

UNION OF INDIA AND OTHERS …Respondents

CORAM: HON'BLE MS. JUSTICE SHALINI SINGH NAGPAL

Present: Mr. Karanvir Singh Khehar, Advocate
for the petitioner.

****

SHALINI SINGH NAGPAL J.

The petition under Article 226/227 of Constitution of India seeks following reliefs:

(i) To declare arrest of petitioner on 29.07.2026, remand order dated 29.07.2026 and all proceedings conducted by learned Judicial Magistrate Ist Class(Duty), Panchkula, in complaint F. No. GEXCOM/AE/INV/GST/13377/2025 under Sections 132(1)(c) punishable under sub-clause (i) of sub-Section (1) of Section 132 of the Central Goods and Services Tax Act, 2017 read with Section 20 of the Integrated Goods and Services Tax Act, 2017, illegal;

(ii) Quashing/setting aside of order of arrest of the petitioner and subsequent remand order dated 29.07.2026 of learned Duty Judicial Magistrate Ist Class, Panchkula,

(iii) Quashing/setting aside of show cause notices dated 19.02.2026, 19.06.2026, 22.07.2026, 13.05.2026, 29.07.2026 and 29.07.2026;

(iv) direction to release the petitioner from custody forthwith.

2. Learned counsel for the petitioner submits that petitioner, Director of M/s. Rebuild Energy, was illegally arrested by the officers of Central Goods and Services Tax department on 29.07.2026. Prior to his arrest, petitioner had been fully co-operating with the investigating agency and appearing before the authorities, whenever summoned. On 29.07.2026, officers of Central Goods and Services Tax Department conducted search proceedings at his residence at 5.36 AM and ordered him to switch off CCTV cameras. Petitioner remained in custody and control of GST officers, throughout the day and was taken to G.S.T. Bhawan, Sector 25, Panchkula, at about 1.33 PM. He was not informed that he was placed under arrest. Grounds of arrest were neither furnished to him, nor communicated to any member of his family, thus, depriving the petitioner of his valuable constitutional right to seek immediate legal assistance. Learned counsel further submits that official records of the respondent regarding the time of arrest were contradictory. In one of the documents, time of arrest was recorded as 06.34 PM, whereas the arrest memo recorded the time of arrest as 7.45 PM, which created serious doubts regarding the actual time of arrest and legality of the arrest. All the documents

were prepared only after petitioner had already been deprived of his liberty.

3. It was further submitted that authorization of arrest under Section 69 of the Central Goods and Services Tax Act was never supplied to the petitioner, nor to any member of his family. The subsequent intimation of grounds of arrest was also general in nature, failing to effectively communicate the material, which constituted the foundation of his arrest. The respondents sought judicial remand before learned Duty/Judicial Magistrate Ist Class, Panchkula, who mechanically authorized judicial custody without examining the legality of arrest and contradictory arrest records. The remand order did not record any independent satisfaction regarding compliance of constitutional and statutory safeguards governing arrest. Thus, arrest of the petitioner and consequent remand orders were unconstitutional, arbitrary, without jurisdiction, violative of Articles 14, 21 and 22 of the Constitution of India, Sections 6(2)(b), 69 of the Central Goods and Services Tax Act, 2017 and Section 187 of Bharatiya Nyaya Sanhita, 2023. To support his contentions, learned counsel for the petitioner relied upon ***Jai Kumar Aggarwal Vs. Directorate General of GST Intelligence and 3 others 2026 AHC 32796-DB*** and ***Radhika Aggarwal Vs. Union of India and Others 2025 INSC 272.***

4. There can be no denying that as per constitutional mandate under Article 22(1) of the Constitution of India, the arrested person is required to be informed of the grounds of arrest

in all offences, including Special Acts. The grounds of arrest are required to be communicated in writing to the arrestee within reasonable time and in any case, at least two hours prior to production of the arrestee for remand proceedings and any non-compliance would render the arrest and the subsequent remand illegal.

5. Undisputedly, petitioner was arrested on 29.07.2026. That petitioner was supplied the grounds of arrest is also not denied. The grounds of arrest dated 29.07.2026 are on record as Annexure P-1. They have been challenged on the ground that they merely reproduced the allegations in general manner and failed to effectively communicate the factual basis of arrest. The argument is against record. Annexure P-11, intimation of grounds of arrest, is a document in 05 pages informing the petitioner of his role as Proprietor and key person, responsible for the entire operation, financial decisions and manager of M/s. Rebuild Energy, the quantum of wrongful availment of ITC done by the firm. The grounds are accompanied by a table which gives the precise details of the tax payer, its registered address, nature of business, proprietor, role of the arrestee, total wrongful ITC availed and the period involved. It also gives the details of the GST evasion/inadmissible availment of fraudulent ITC by M/s. Rebuild Energy through 25 bogus/non-existent suppliers (dummy firms). Not only the names of the dummy firms have been recorded in Annexure P-11 but also the precise amount of fake ITC passed on

to M/s. Rebuild Energy along with the date of registration, status and the reasons for cancellation. The document which bears an endorsement of 03 officers that "*the arrestee refused to receive and acknowledge the copy of intimation of grounds of arrest in the presence of panchas"* cannot be taken as general, vague or ambiguous document.

6. Another pertinent argument of learned counsel for the petitioner is that all the documents recorded different time of arrest and in fact, the petitioner was arrested on 5.36 AM, from his residence, kept in custody throughout the day and later on different time was mentioned in various documents. In support of his submissions, learned counsel relies upon a CCTV footage in a pen drive, appended with the petition.

7. No findings of fact can be recorded by Writ Court on the basis of a CCTV footage in a pen drive which requires proof in accordance with law. Even though, the arrest memo records time of arrest as 7.45 PM, the grounds of arrest mentions the time of arrest as 6.34 PM and authorization for arrest bears the time as 5.56 PM, the contradiction in the time of arrest does not render the arrest illegal. Since, petitioner was produced before learned Duty/Judicial Magistrate Ist Class, Panchkula on 29.07.2026 itself, the officers of the respondent department could have no reason or motive to manipulate the time of arrest. No prejudice can be said to have been caused to the petitioner due to the contradiction in the time of arrest.

8. Learned counsel for the petitioner has relied upon ***Radhika Agarwal Vs. Union of India and Others 2025 INSC 272*** to submit that even the "reasons to believe" recorded by the Commissioner were not supplied to the petitioner at the time of arrest. The judgment in ***Radhika Agarwal's case*** does not expressly lay down that the "reasons to believe" required to be recorded by the Commissioner, are required to be supplied to the accused.

9. Record shows that upon production before learned Judicial Magistrate Ist Class, it was ensured by the judicial officer that the petitioner is represented by legal aid counsel or defence counsel of his choice. The order of remand was passed only after petitioner was represented by Legal Aid Counsel, Panchkula and another private counsel. Learned Judicial Magistrate Ist Class, Panchkula, after taking note of the submissions made by the Investigating Agency and the defence counsel, observed that grounds of arrest were duly communicated to learned counsels for the accused in writing as mandated by the Apex Court in the case of ***Mihir Rajesh Shah Vs. State of Maharashtra and Another 2025 AIR Supreme Court 5554.*** In ***Jai Kumar Aggarwal's case*** relied upon by the petitioner, the remand order was set aside as it did not mention regarding supplying of grounds of arrest at the time of arrest and before producing him before the remand Magistrate. The remand order was also not found to be in accordance with law. Such is not the position in the case before us.

CNR No: PHHC011309852026
2026:PHHC:108501

Learned Judicial Magistrate Ist Class recorded her satisfaction that arrest of the accused was justified in the given circumstances and the requirement of Section 35 of Bharatiya Nagarik Suraksha Sanhita, 2023 was duly complied with. The order records that grounds of arrest were communicated to the accused in writing within the stipulated time and intimation of arrest was given to his wife on her mobile number. Learned Magistrate has also observed that arrest of the accused in the case was legal and justified as the offences alleged were serious, non-bailable and investigation was ongoing. Judicial remand of the accused/petitioner for a period of 02 days till 01.08.2026 was allowed. The argument that learned Judicial Magistrate Ist Class, Panchkula mechanically authorized custody of petitioner without examining the legality of arrest, has no factual basis.

10. No arguments have been addressed with regard to the show cause notices impugned in the writ petition.

11. There is, thus, no merit in the criminal writ petition, which stands dismissed.

12. Nothing observed hereinabove shall be construed as an opinion on merits of the case.

13. Pending CRM(s), if any, also stand disposed of.

(SHALINI SINGH NAGPAL)
JUDGE

07.08.2026
Ajay Goswami

Whether speaking/reasoned: *Yes/No*
Whether reportable: *Yes/No*