2026:AHC:146504-DB

A.F.R

Reserved On :- 15.07.2026
Delivered On :- 17.07.2026

HIGH COURT OF JUDICATURE AT ALLAHABAD

HABEAS CORPUS WRIT PETITION No. - 861 of 2026

Sanchit Seth

.....Petitioner(s)

Versus

Commissioner Of Cgst And Central Excise And 3 Others

.....Respondent(s)

Counsel for Petitioner(s)	:	Amit Singh, Ayank Mishra
Counsel for Respondent(s)	:	Dhananjay Awasthi, G.A.

HON'BLE SIDDHARTH, J.

HON'BLE VINAI KUMAR DWIVEDI, J.

(Delivered by Hon'ble Siddharth, J.)

1. Heard Sri Ayank Mishra, Sri Rajesh Chhibber and Sri Amit Singh, learned counsel for the petitioner; Sri Shashi Prakash Singh, learned Additional Solicitor General of India assisted by Sri Dhananjay Awasthi and Sri Gopi Krishna Sood, learned counsel for the respondents and perused the material on record.

2. The writ petition has been filed praying for following reliefs:-

> *"(i) to issue a writ, order or direction, in the nature of Habeas Corpus directing the respondents herein to produce the corpus / petitioners while declaring the detention, arrest, and subsequent remand and custody of the petitioners as unconstitutional, illegal and arbitrary and consequently directing that the petitioners be released forthwith;*
>
> *(ii) to issue a writ, order, or direction in the nature of certiorari setting aside all remand orders passed by the concerned Magistrate / Court against the petitioners under Section 26 of the Health Security Se National Security Act, 2025 at the instance of the Anti Evasion Department of GST Commissionerate, and all consequential proceedings thereof;*
>
> *(iii) to issue any other and further writ, order, or direction, which this Hon'ble Court may deem fit and proper in the facts and circumstances of the case;*

(iv) to allow the instant petition with costs."

3. Learned counsel for the petitioner submits that firm of corpus has obtained registration with G.S.T. Department. He has been illegally arrested and detained. Grounds of arrest was supplied to the corpus are incomplete and therefore, his arrest and detention are illegal. The arrest memo does not contains any viable and legal grounds of arrest as mandated by law. No family member or nominee of corpus was informed about his arrest.

4. The Hon'ble Supreme Court in the case of ***Mihir Rajesh Shah vs. State of Maharashtra and Another, MANU/SC 1492 / 2025*** has held that reasons to believe must be communicated in writing to the arrestee atleast two hours prior to the production before the Remand Magistrate and non-compliance of the aforesaid mandate render the arrest and subsequent remand of arrestee illegal.

5. The Commissioner has failed to record any reasons to believe has mandated under Section 26 of The Health Security Se National Security Cess Act, 2025 which is a mandatory condition precedent to a valid arrest.

6. Relying of Section 19 of the Act he has referred the judgment of Hon'ble Supreme Court in the case of ***Satendra Kumar Antil vs. C.B.I., S.L.P (Crl.) No. 5191 of 2021*** dated 11.07.2022 wherein it has been held that for the offence punishable upto 7 years or below arrest cannot be affected as a matter of course. The offence alleged under the Act aforesaid are punishable with a maximum sentence of 5 years only. The grounds of arrest do not fulfill the essential ingredients of Section 26 of the Act.

7. The remand order has been passed by the Remand Magistrate without application of mind. The condition stipulated under Section 41-A of Cr.P.C./35(3) of B.N.S.S were violated in this case. Hence, the arrest of petitioner is absolutely illegal. He may be directed to be set free.

8. The respondents have filed a counter affidavit denying the argument made by learned counsel for the petitioner. It has been submitted that the bail application of the petitioner has already been rejected by Special C.J.M., Meerut and his bail application is pending before learned District and Sessions Judge. It has been submitted that the Habeas Corpus writ petition is not maintainable after rejection of bail application by the Special C.J.M. He has submitted that the grounds of arrest were duly supplied to the petitioner

along with the memo of arrest as annexure with DIN number. He has further submitted that the reasons to believe are apparent from the letter of authorization for arrest dated 23.05.2026 brought on record to the annexure relevant to the counter affidavit.

9. Learned counsel for the respondent has further submitted that there is compliance of all the statutory provisions. There are allegations of evasion of government revenue of 17.88 crores and above and therefore, the petitioner does not deserves any latitude by this court.

10. After hearing the rival submissions, we find that the Health Security Se National Security Cess Act, 2025 (hereinafter referred to as the 'Act') is a new Act which has been published in the Gazette of India only on 26.12.2205. The object of the act is to augment the resources for meeting expenditure on national security and for public health and to levy a cess for the said purposes on the machines installed or other processes undertaken by which specified goods are manufactured or produced and for matters connected therewith or incidental thereto.

11. Hence, it is clear that apart from the taxes being leveled against the businessmen / business concerns, this is an additional cess imposed for meeting the expenditure on National Security and Public Health. In the Act there is nothing about informing the factory owners / manufacturers of the country about application of the Act to their factory / business concerns from any particular date.

12. While Chapter I names the Act under Section 1; Section 2 is the definition clause of the Act.

13. Chapter II defines the taxable person for the purpose of the Act as any person who owns, possesses, operates, manages or is otherwise in control of machines or undertakes any process by which specified goods are manufactured or produced whether directly or through workers, employees, etc.

14. Chapter III provides that cess shall be levied under the Act in respect of machines installed or other processes undertaken by a taxable person for the manufacture or production of specified goods referred to in Schedule I, at the amount specified in Schedule II. The cess under this Act is in addition to any other duties or taxes chargeable on the specified goods. The Central

Government has been given the discretion to exempt any taxable person or class of such persons from the cess under this Act by way of a notification. The cess shall be payable for each month.

15. Chapter IV provides for registration and the filing of returns by every taxable person before the proper officer. During the currency of registration, the liability to pay cess shall continue, and the registered person shall continue to file returns, subject to verification by the proper officer. The cess shall be collected from the taxable person at the beginning of every month, but not later than the 7th day of every month, in such manner as may be prescribed.

16. Chapter V provides for the audit and assessment of the returns furnished by a registered taxable person, and no assessment order shall be passed by the proper officer without giving the taxable person an opportunity of being heard. Provision for the audit of a registered taxable person is also made. Under Section 13, the proper officer has been given the power to summon any person either to give evidence or to produce any document or other thing, and such proceedings shall be deemed to be judicial proceedings. Any officer authorized by the proper officer, not below the rank of Joint Commissioner, shall have access to any place of business of a taxable person and may inspect the books of account, documents, computers, etc., for the purpose of carrying out any audit, scrutiny, verification, and checks. Section 16 provides that where it appears to the proper officer that any cess has not been paid, has been short-paid, or has been erroneously refunded, he shall issue a notice to the taxable person. Thereafter, he shall determine the amount of cess, interest, and penalty due from such person and issue an order within 12 months from the date of issuance of the notice.

17. Chapter VI provides for offences and penalty and is quoted hereinbelow :-

> "*OFFENCES AND PENALTIES*
>
> *18. (1) Where a taxable person who—*
>
> *(a) owns, operates or in control of any machine or process for the purpose of manufacture or production of the specified goods without declaring to the proper officer under this Act; or*
>
> *(b) fails to pay the cess levied under section 4 beyond a period of three*

months from the date on which such payment becomes due under section 10; or

(c) fails to furnish returns as required under section 10 or falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information or declaration or return with an intention to evade payment of cess due under the said section; or

(d) fraudulently obtains refund of cess; or (e) obstructs or prevents any officer in discharge of his duties under this Act; or (f) is liable to be registered under this Act but fails to obtain registration; or

(g) fails to furnish information or documents called for by an officer in accordance with the provisions of this Act or the rules made thereunder, or furnishes false information or documents during any proceedings under this Act; or

(h) tampers with, or destroys any material evidence or document; or

(i) disposes of or tampers with any goods that have been seized under this Act,

the proper officer may, after making such inquiry as he deems fit, impose on such taxable person, in addition to the cess leviable, a penalty of ten thousand rupees or an amount equivalent to the cess payable or cess sought to be evaded, or the refund claimed fraudulently, whichever is higher.

2) Any person who aids or abets any of the contraventions specified in clauses (a) to (i) of sub-section (1) shall be liable to a penalty which may extend to one hundred thousand rupees.

(3) Any order imposing any such penalty shall be passed by the proper officer only after giving the taxable person a reasonable opportunity of being heard.

19. (1) Whoever commits or causes to commit and retains any benefit arising out of contraventions specified in clause (a) or clause (b) or clause (c) or clause (d) of sub-section (1) of section 18 shall be punishable in cases where the amount of cess evaded or the amount of refund wrongly taken—

(a) exceeds five hundred lakh rupees, with imprisonment for a term which may extend to five years or with fine, or with both; or

(b) exceeds two hundred lakh rupees but does not exceed five hundred

lakh rupees, with imprisonment for a term which may extend to three years or with fine, or with both; or

(c) exceeds one hundred lakh rupees but does not exceed two hundred lakh rupees, with imprisonment for a term which may extend to one year or with fine, or with both.

(2) Whoever commits or causes to commit and retains any benefit arising out of contraventions specified in clauses (f) or (i) of sub-section (1) of section 18, or abets the commission of an offence specified in the said sub-section, shall be punishable with imprisonment for a term which may extend to six months or with fine, or with both.

(3) Whoever, convicted for an offence under this section is again convicted for an offence under this section, he shall be punishable for the second and for every subsequent offence with imprisonment for a term which may extend to five years or with fine, or with both.

(4) The Court may, for special and adequate reasons to be recorded in the judgment, sentence any person to imprisonment under sub-section (1) or sub-section (3), for a term less than six months.

(5) Notwithstanding anything contained in the Bharatiya Nagarik Suraksha Sanhita, 2023, all offences under this Act, except the offences referred to in sub-section (6) shall be non-cognizable and bailable.

(6) The offences specified in clause (a) or clause (b) or clause (c) or clause (d) of sub-section (1) of section 18 shall be cognizable and non-bailable.

(7) No person shall be prosecuted for any offence under this section except with the previous sanction of the proper officer, not below the rank of Commissioner.

20. (1) Where an offence committed by a person under this Act is a company, every person who, at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any negligence on the part of, any director, manager,

secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(3) Where an offence under this Act has been committed by a taxable person being a partnership firm or a limited liability partnership or a Hindu undivided family or a trust, the partner or karta or managing trustee shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly and the provisions of sub-section (2) shall, mutatis mutandis, apply to such persons.

(4) Nothing contained in this section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

Explanation.—For the purposes of this section,—

(a) "company" means a body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

21. No Court shall take cognizance of any offence punishable under this Act or the rules made thereunder except with the previous sanction of the proper officer, not below the rank of Commissioner, and no court inferior to that of a Magistrate of the first class, shall try any such offence.

22. In any prosecution for an offence under this Act which requires a culpable mental state on the part of the accused, the Court shall presume the existence of such mental state but it shall be a defence for the accused to prove the fact that he had no such mental state with respect to the act charged as an offence in that prosecution.

Explanation.—For the purposes of this section,—

(a) the expression "culpable mental state" includes intention, motive, knowledge of a fact, and belief in, or reason to believe, a fact;

(b) a fact is said to be proved only when the court believes it to exist beyond reasonable doubt and not merely when its existence is established by a preponderance of probability.

23. (1) Notwithstanding anything contained in the Bharatiya Nagarik Suraksha Sanhita, 2023, any offence under this Act, not being an offence punishable with imprisonment only, or with imprisonment and also with *fine, may, either before or after the institution of prosecution, be compounded by a proper officer, not below the rank of Commissioner, on payment, by the person accused of the offence, to the Central Government of such compounding amount in such manner as may be prescribed.*

(2) The option of compounding shall not be available to a person—

(a) who has been allowed to compound once in respect of any of the offences specified in clauses (a) to (f) of sub-section (1) of section 18 and the offences which are relatable to the said specified offences;

(b) who has been allowed to compound once in respect of any offence, other than those in clause (a), under this Act, the cess exceeding one crore rupees;

(c) a person who has been accused of committing an offence under this Act which is also an offence under any other law for the time being in force;

(d) a person who has been convicted for an offence under this Act by a Court; and

(e) any other class of persons or offences, as may be prescribed.

(3) Any compounding shall be allowed only after making payment of cess, interest and penalty involved in such offences and shall not affect the proceedings, if any, instituted under any other law for the time being in force.

(4) The amount for compounding of offences under this section shall be such, as may be prescribed, subject to the minimum amount not being less than ten thousand rupees or fifty per cent. of the cess involved, whichever is higher, and the maximum amount not being less than thirty thousand rupees or one hundred and fifty per cent. of the cess, whichever is higher.

(5) On payment of such compounding amount as may be determined by the proper officer, no further proceedings shall be initiated under this Act against the accused person in respect of the same offence and any criminal proceedings, if already initiated in respect of the said offence, shall stand abated."

18. Chapter VII provides for inspection, search and seizure of business premises of registered taxable person and also provides for penalty. Chapter VII of the Act is quoted hereinbelow :-

"INSPECTION, SEARCH AND SEIZURE

24. (1) Where the proper officer, not below the rank of Joint Commissioner, has reasons to believe that any taxable person is manufacturing or producing the specified goods without complying with the provisions of this Act or the rules made thereunder, he may authorise, in writing, any officer not below the rank of Assistant Commissioner subordinate to him to inspect any places of business of the taxable person or warehouse or godown, where the specified goods so manufactured or produced are stored.

(2) Where the proper officer referred to in sub-section (1), either pursuant to an inspection carried out under sub-section (1) or otherwise, has reasons to believe that the specified goods or machines liable to confiscation or any documents or books or things, which in his opinion, shall be useful for or relevant to any proceedings under this Act, are secreted in any place, he may authorise, in writing, any other proper officer to search and seize, or may himself search and seize such goods, machines, documents or books or things.

(3) Where it is not practicable to seize any such goods or machine, the proper officer, or any officer authorised by him, may serve on the owner or the custodian of such goods an order that he shall not remove, part with, or otherwise deal with such goods except with the previous permission of such officer.

(4) The documents or books or things so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceedings under this Act.

(5) The documents, books or things referred to in sub-section (2) or any other documents, books or things produced by a taxable person or any other person, which have not been relied upon for the issue of notice under this Act or the rules made thereunder, shall be returned to such person within a period not exceeding thirty days of the issue of the said notice.

(6) The officer authorised under sub-section (2) shall have the power to seal or break open the door of any factory or to break open any almirah, electronic device, box, receptacle in which the specified goods, accounts, registers or documents of the person are suspected to be concealed, where access to such factory, almirah, electronic devices, box or receptacle is denied.

(7) The person from whose custody any documents are seized under sub-section (2) shall be entitled to make copies thereof or take extracts

therefrom in the presence of an authorised officer at such place and time as such officer may indicate in this behalf except where making such copies or taking such extracts may, in the opinion of the proper officer, prejudicially affect the investigation.

(8) The goods or machines so seized under sub-section (2) shall be released on a provisional basis, upon execution of a bond and furnishing of a security, in such manner and of such quantum, respectively, as may be prescribed, or on payment of applicable cess, interest and penalty payable, as the case may be.

(9) Where any goods or machines are seized under sub-section (2) and no notice in respect thereof is given within six months of the seizure of such goods, such goods shall be returned to the person from whose possession they were seized.

(10) The period of six months specified in sub-section (7) may, on sufficient cause being shown, be extended by the proper officer for a further period not exceeding six months.

(11) The proper officer may, with the prior permission of the Board, having regard to the perishable nature of the specified goods, depreciation in its value or machines with the passage of time, constraints of storage space for such goods or machines or any other relevant considerations, may, as soon as may be after its seizure under sub-section (2), dispose of such goods or machines in such manner as may be prescribed.

(12) Where the specified goods or machines, being items specified under sub-section (11), have been seized by a proper officer, or any officer authorised by him under sub-section (2), he shall prepare an inventory of such goods or machines in such manner as may be prescribed.

(13) The provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023, relating to search and seizure, shall, so far as may be, apply to search and seizure under this section subject to the modification that sub-section (5) of section 185 of the said Sanhita shall have effect as if for the word "Magistrate", wherever it occurs, the word "Commissioner" were substituted.

(14) Where the proper officer has reasons to believe that any person has evaded or is attempting to evade the payment of any cess, he may, for reasons to be recorded in writing, seize the accounts, registers or documents of such person produced before him and shall grant a receipt for the same, and shall retain the same for so long as may be necessary in

connection with any proceedings under this Act or the rules made thereunder for prosecution.

25. (1) Where any taxable person—

(a) owns, operates or controls any machine installed or undertakes any process for the manufacture or production of the specified goods in contravention of any of the provisions of this Act or the rules made thereunder with intent to evade payment of cess; or

(b) contravenes any of the provisions of this Act or the rules made thereunder with intent to evade payment of cess; or

then, all such goods or machines shall be liable to confiscation and the person shall be liable to penalty under section 18.

(2) Whenever confiscation of any such goods or machines are authorised by this Act, the officer adjudging it shall give to the owner of such goods or machines an option to pay in lieu of confiscation, such penalty as specified under sub-section (3) as the said officer thinks fit.

(3) The penalty leviable under sub-section (2) shall not exceed the market value of the specified goods or the machines confiscated, less the cess chargeable thereon.

(4) The aggregate of penalty under sub-section (2) and penalty leviable shall not be less than the penalty equal to two hundred per cent. of the cess payable on such goods.

(5) No order for confiscation of the specified goods or machines for imposition of penalty shall be issued without giving the person a reasonable opportunity of being heard.

(6) Where the specified goods or machines are confiscated under this Act, the title of such goods or machines shall thereupon vest in the Central Government.

(7) The proper officer who confiscates any goods or machine under this section shall take and hold possession of the things confiscated and every officer of police, on the requisition of such proper officer, shall assist him in taking and holding such possession.

(8) The proper officer may, after satisfying himself that the confiscated goods or machines are not required in any other proceedings under this Act and after giving reasonable time not exceeding a period of three months to pay the fine in lieu of such confiscation, dispose of such goods or conveyance and deposit the sale proceeds thereof with the Central Government.

> *26. (1) Where a proper officer, not below the rank of Commissioner, has reasons to believe that a person has committed any offence specified in clause (a) or clause (b) or clause (c) or clause (d) of sub-section (1) of section 18 which is punishable under the said sub-section or sub-section (3) of the said section, he may, by order, authorise any other proper officer below him to arrest such person.*
>
> *(2) Where a person is arrested under sub-section (1) for an offence specified under sub-section (5) of section 19, the officer authorised to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within twenty-four hours.*
>
> *(3) Subject to the provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023,—*
>
> *(a) where a person is arrested under sub-section (1) for any offence specified under sub-section (5) of section 19, he shall be admitted to bail or in default of bail, be forwarded to the custody of the Magistrate;*
>
> *(b) in the case of a non-cognizable and bailable offence, the proper officer not below the rank of Assistant Commissioner shall, for the purpose of releasing an arrested person on bail or otherwise, have the same powers and be subject to the same provisions as an officer-in-charge of a police station.*
>
> *27. (1) Any amount due under this Act (including any interest or penalty) from any taxable person may be recovered in the same manner as an arrear of land revenue.*
>
> *(2) All officers of police, central tax and customs and all officers of the Central Government and the State Government engaged in the collection of land revenue, and all village officers are hereby empowered and required to assist the proper officer in the execution of this Act."*

19. Chapter VIII of the Act provides for revision and appeals before the Revisional and Appellate Authorities.

20. Therefore, it is clear that the Act imposes a monthly liability for payment of cess upon the taxable person as defined under Chapter II, Section 3 of the Act. The Act also mandates payment of cess on a monthly basis, latest by the 7th day of every month. Therefore, the computation of manufacturing cess on a monthly basis is an onerous task for a taxable person, and any delay attracts penalty. The Act further provides for criminal liability of the taxable person under Chapter VI and civil liability under Chapter V. Under Section 26(3)(a), it has been provided that, subject to the provisions of the Bhartiya

Nyay Suraksha Sanhita, 2023, where a person is arrested for any offence specified under sub-section (5) of Section 19, he shall be admitted to bail, or, in default of bail, be forwarded to the custody of the Magistrate.

21. This provision is applicable to the present case, since the corpus has been implicated under Section 19(5) of the Act, which provides that the offences specified under sub-section (1) shall be cognizable and non-bailable. However, the maximum punishment prescribed under Section 19(1) is imprisonment for a term which may extend to five years, or with fine, or with both.

22. Therefore, the provision regarding the arrest under the B.N.S.S shall apply to the present case provided under Section 35 to Section 62 of B.N.S.S. Section 35 of B.N.S.S provides that police can arrest individuals without order of Magistrate for cognizable offences carrying punishment about 7 years. For offences carrying under 7 years of imprisonment, the police is required to record reasons justified why the arrest is absolutely necessary to prevent tampering with the evidence or for ensuring appearance in court.

23. At the time of arrest, the grounds of arrest must be communicated to the arrestee with full particulars. An arrest memo must be prepared, detailing the exact time, place, and reasons for the arrest, and the same must be signed by witnesses, preferably a family member of the arrested person. The information regarding the arrest shall be furnished to the family members of the arrestee or to a person nominated by him. The arrested person shall be informed of his right to consult a lawyer of his choice during interrogation, and free legal aid shall be provided to those who cannot afford to engage a lawyer. The arrestee shall be produced before the Magistrate within 24 hours of the arrest. Further, the arrested person shall be medically examined immediately after the arrest and periodically throughout the period of his detention.

24. In the present case, we find that the respondents have complied with the requirements relating to the arrest of the petitioner by furnishing the arrest memo along with the grounds of arrest. The grounds of arrest, as annexed to the arrest memo, relate to the alleged clandestine manufacture of tobacco and pan masala products in undeclared packing machines and evasion of tax. The arrest has been effected for the purposes of custodial interrogation and

to prevent tampering with the evidence and influencing the witnesses. However, copy of the arrest memo appears to have been furnished only to the corpus and not to any of his family members or to any person nominated by him. The arrest memo also does not indicates that a copy thereof was supplied to any relative or nominee of the corpus, nor does it discloses the name of the person who was informed about his arrest. Further, all the witnesses mentioned in the arrest memo appear to be strangers to the corpus. The corpus was admittedly arrested during the night of 22.05.2026, and his statement indicates that it was recorded on the intervening night of 22/23.05.2026. However, the letter authorising the arrest of corpus under Section 21(1) was issued by the Commissioner, CGST & Central Excise, Commissionerate, Ghaziabad, only on 23.05.2026. Though the authorisation for search had been issued on 22.05.2026, the authorisation for arrest was issued only on 23.05.2026. Therefore, it is evident that the authorisation for arrest was issued subsequent to the arrest of the petitioner on 22.05.2026. The arrest memo indicates that, although the petitioner was actually arrested on 22.05.2026, the time of his arrest has been recorded therein as 1:30 p.m. on 23.05.2026.

25. The arrest memo also does not contains any recital indicating that the petitioner was informed of his right to avail legal assistance from an advocate of his choice. It merely records that one Praveen Seth had been informed about his arrest. However, the signature of Praveen Seth is absent, and only his name has been mentioned in capital letters. Further, in paragraph 3 of the arrest memo, appearing immediately above the signature of the arrestee, clearly indicates that no family member or relative of the petitioner was informed about his arrest. Even otherwise, the offence punishable under the Act carries a maximum sentence of imprisonment which may extend to five years only. Therefore, relying upon the principles laid down by the Apex Court in ***Satender Kumar Antil vs. C.B.I., 2026 INSC 11*****5**, the arrest of the petitioner does not appears to be justified.

26. After considering the rival pleadings and the argument of the counsel for the parties, we find that in Chapter VI of the Act aforesaid, the maximum punishment to be awarded to an accused in 5 years only or fine or both. Further there is also option of compounding of the offences under Section 23 of the Act aforesaid.

27. We further find that evasion of revenue of Rs. 17.88 crores have been

alleged against the corpus. The basis of this figure is not based on any audit and assessment under Chapter V of the Act.

28. Therefore, the arrest, remand and detention of petitioner do not seem to be in accordance with law and are hereby set aside.

29. He is directed to be released forthwith.

30. Office is directed to issue certified copy of this order to the petitioner on payment of usual charges today.

31. The habeas corpus writ petition is ***allowed***.

July 17, 2026
Rohit

(Vinai Kumar Dwivedi,J.) **(Siddharth,J.)**