



1

WP-4284-2025

IN THE HIGH COURT OF MADHYA PRADESH
AT INDORE

BEFORE

HON'BLE SHRI JUSTICE VIVEK RUSIA

&

HON'BLE SHRI JUSTICE BINOD KUMAR DWIVEDI

ON THE 15th OF SEPTEMBER, 2025WRIT PETITION No. 4284 of 2025

*M/S. AGRAWAL SOYA EXTRACTS PVT. LTD. THROUGH ITS DIRECTOR
SHRI DEEPAK SINGHAL*

*Versus**UNION OF INDIA AND OTHERS*

.....
Appearance:

Shri Shashwat Seth, learned counsel for the petitioner.

Shri Prasanna Prasad, learned counsel for the respondents.

.....

ORDER

Per. Justice Vivek Rusia

With the consent of parties, heard finally.

The petitioner has filed the present petition under Article 226 of the Constitution of India, challenging various summons issued by the Additional Assistant Director of the Directorate General of GST Intelligence, Bhopal Zonal Unit, under Section 70 of the Central Goods & Service Tax Act, 2017 (hereinafter to be referred to as 'the CGST Act'), in an enquiry for giving evidence as well as producing documents.

02. The petitioner is a company duly registered under the provisions of the Companies Act, 1956 (New Act, 2013) and engaged in the business of extraction and sale of soybean products.

03. The Additional Assistant Director, DGGI issued the first summon dated 25.08.2023, directing the petitioner to furnish certain information in respect



of transaction and sale of products to six companies mentioned in ANNEXURE - A and ITC passed on totaling to Rs.3,93,61,066/-.

04. The petitioner submitted a reply stating that the aforesaid notice is in violation of Section 6(2)(b) of the CGST Act, which clearly bars the multiple proceedings on the same subject matter. It is further submitted that on the very same issue involving similar allegations, the Office of Commissioner, CGST & Central Excise, Ujjain Commissionerate, had already issued a show-cause notice under Section 74(1) of the CGST Act. Thereafter, another notices dated 04.10.2023 and 28.12.2023 have been issued and the petitioner has submitted a similar reply. The petitioner has also annexed the statement recorded before the GST Authority at Ujjain, but copy of the notice issued under section 74 has not been annexed.

05. According to the petitioner, vide notice dated 30.04.2024, the information has been reduced from six companies to four companies and the amount of ITC from Rs.3,93,61,066/- to Rs.1,42,76,871/-. The respondent / Additional Assistant Director has issued another notice dated 05.09.2024, hence, the petitioner approached this Court by way of the present writ petition, *inter alia* on the ground that the petitioner cannot be subjected to multiple proceedings by different authorities on the same subject matter, which is barred under Section 6(2)(b) of the CGST Act.

06. Vide order dated 07.02.2025, while issuing notices to the respondents, this Court has protected the interest of the petition by directing the respondents to maintain *status quo* and not to take coercive steps against the petitioner.

07. After notice, the respondents filed a reply by raising an objection that the writ petition is not maintainable. The petitioner is free to raise all objections after any notice or summon is issued under Section 74 of the CGST Act. It is



further submitted that the bar under Section 6 of the CGST Act does not apply at the investigation/enquiry stage.

08. Shri Prasanna Prasad, learned counsel for the respondents has placed reliance upon a recent judgement delivered by the Apex Court in the case of *Armour Security (India) Limited v/s Commissioner CGST, Delhi East Commissionerate, reported in 2025 SCC OnLine SC 1700* and prays for dismissal of the writ petition.

09. We have heard learned counsel for the parties.

10. The petitioner has not brought on record any summon / notice issued under Section 74 of the CGST Act by the CGST Authority at Ujjain / respondent No.4, therefore, we are unable to compare that to the impugned summons issued by respondent No. 3 on the same subject, on which respondent No. 4 is proceeding against the petitioner.

11. The interpretation of Section 6(2)(b) of the CGST Act came up for consideration before the Apex Court in the case of *Armour Security Limited (supra)*. The Apex Court has drawn a conclusion in paragraph - 96, which is reproduced below:-

"96. We summarize our final conclusion as under:-

- i. Clause (b) of sub-section (2) of Section 6 of the CGST Act and the equivalent State enactments bars the "initiation of any proceedings" on the "same subject matter".*
- ii. Any action arising from the audit of accounts or detailed scrutiny of returns must be initiated by the tax administration to which the taxpayer is assigned.*
- iii. Intelligence based enforcement action can be initiated by any one of the Central or the State tax administrations despite the taxpayer having been assigned to the other administration.*
- iv. Parallel proceedings should not be initiated by other tax administration when one of the tax administrations has already initiated intelligence-based enforcement action.*
- v. All actions that are initiated as a measure for probing an inquiry or*



gathering of evidence or information do not constitute "proceedings" within the meaning of Section 6(2)(b) of the CGST Act.

vi. The expression "initiation of any proceedings" occurring in Section 6(2)(b) refers to the formal commencement of adjudicatory proceedings by way of issuance of a show cause notice, and does not encompass the issuance of summons, or the conduct of any search, or seizure etc.

vii. The expression "subject matter" refers to any tax liability, deficiency, or obligation arising from any particular contravention which the Department seeks to assess or recover.

viii. Where any two proceedings initiated by the Department seek to assess or recover an identical or a partial overlap in the tax liability, deficiency or obligation arising from any particular contravention, the bar of Section 6(2)(b) would be immediately attracted.

ix. Where the proceedings concern distinct infractions, the same would not constitute a "same subject matter" even if the tax liability, deficiency, or obligation is same or similar, and the bar under Section 6(2)(b) would not be attracted.

x. The twofold test for determining whether a subject matter is "same" entails, first, determining if an authority has already proceeded on an identical liability of tax or alleged offence by the assessee on the same facts, and secondly, if the demand or relief sought is identical."

12. In paragraph - 97, the Apex Court issued the guidelines to be followed by the authorities after commencement of an enquiry / investigation by one authority and another enquiry / investigation on the same subject matter by a different authority, which are reproduced below: -

"97. We issue the following guidelines to be followed in cases where, after the commencement of an inquiry or investigation by one authority, another inquiry or investigation on the same subject matter is initiated by a different authority.

a. Where a summons or a show cause notice is issued by either the Central or the State tax authority to an assessee, the assessee is, in the first instance, obliged to comply by appearing and furnishing the requisite response, as the case may be. We say, so because, mere issuance of a summons does not enable either the issuing authority or the recipient to ascertain that proceedings have been initiated.

b. Where an assessee becomes aware that the matter being inquired into or investigated is already the subject of an inquiry or investigation by another authority, the assessee shall forthwith inform, in writing, the authority that has initiated the subsequent inquiry or investigation.



c. Upon receipt of such intimation from the assessee, the respective tax authorities shall communicate with each other to verify the veracity of the assessee's claim. We say, so as this course of action would obviate needless duplication of proceedings and ensure optimal utilization of the Department's time, effort, and resources, bearing in mind that action initiated by one authority enures to benefit of all.

d. If the claim of the taxable person regarding the overlap of inquiries is found untenable, and the investigations of the two authorities pertain to different "subject matters", an intimation to this effect, along with the reasons and a specification of the distinct subject matters, shall be immediately conveyed in writing to the taxable person.

e. The taxing authorities are well within their rights to conduct an inquiry or investigation until it is ascertained that both authorities are examining the identical liability to be discharged, the same contravention alleged, or the issuance of a show cause notice. Any show cause notice issued in respect of a liability already covered by an existing show cause notice shall be quashed.

f. However, if the Central or the State tax authority, as the case may be finds that the matter being inquired into or investigated by it is already the subject of inquiry or investigation by another authority, both authorities shall decide inter-se which of them shall continue with the inquiry or investigation. In such a scenario the other authority shall duly forward all material and information relating to its inquiry or investigation into the matter to the authority designated to carry the inquiry or investigation to its logical conclusion. We say, so because, the taxable person except for being afforded the statutory protection from duplication of proceedings, otherwise has no locus to claim which authority should proceed with the inquiry or investigation in a particular matter.

g. However, where the authorities are unable to reach a decision as to which of them shall continue with the inquiry or investigation, then in such circumstances, the authority that first initiated the inquiry or investigation shall be empowered to carry it to its logical conclusion, and the courts in such a case would be competent to pass an order for transferring the inquiry or investigation to that authority.

h. If it is found that the authorities are not complying with these aforementioned guidelines, it shall be open to the taxable person to file a writ petition before the concerned High Court under Article 226 of the Constitution of India.

i. At the same time, taxable persons shall ensure complete cooperation with the authorities. It is incumbent upon them to appear in response to a summons and/or reply to a notice."

13. In view of the above, we hereby dispose of the writ petition by



directing the petitioner to appear before the Additional Assistant Director, Directorate General of GST Intelligence, Bhopal Zonal Unit on 17.09.2025 at 02:30 pm along with all documents related to the summon / notice under Section 74 of the CGST Act issued by the CGST Authority at Ujjain. After verifying all these documents, the Additional Assistant Director shall decide strictly in terms of the order passed by the Apex Court in the case of *Armour Security Limited (supra)* whether to proceed further or not. Needless to say, the authority shall pass the order in the letter and spirit of the guidelines framed by the Apex Court *Armour Security Limited (supra)*.

14. It is made clear that if the petitioner fails to appear on 17.09.2025 at 02:30 pm, the last opportunity to appear will be available on 19.09.2025 at 02:30 pm, thereafter, no fresh notice / summons shall be issued to the petitioner and the authority shall proceed and pass the final order.

15. The writ petition stands disposed of to the extent indicated above. The interim relief granted earlier is also vacated.

(VIVEK RUSIA)
JUDGE

(BINOD KUMAR DWIVEDI)
JUDGE

Ravi