RAJASTHAN HIGH COURT
सत्यमेव जयते

HIGH COURT OF JUDICATURE FOR RAJASTHAN
AT JODHPUR

D.B. Civil Writ Petition No. 5846/2021
CNR: RJHC010233492021 | URN: CW / 10355U / 2021

Rajasthan High Court
सत्यमेव जयते
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Shree Grg Oil Mill Sri Ganganagar, C-371 To 374, Agro Food Park, Riico, Sriganganagar, Through Its Partner Shri Satish Chander Goyal S/o Late Sh. Gopi Ram Goyal, Aged About 61 Years.

----Petitioner

Versus

1. State Of Rajasthan, Through Commissioner Of State Tax, Rgst, Kar Bhawan, Ambedkar Circle, Bhawani Singh Road, C-Scheme, Jaipur.
2. Assistant Commissioner (Anti -Evasion), State Taxes Department, Near Uit Road, Sri Ganganagar.
3. Goods And Service Tax Council, Through Its Secretary, 5Th Floor, Tower - Ii, Jeevan Bharti Building, Janpath Road, Connaught Place, New Delhi - 110001

----Respondents

For Petitioner(s)	:	Mr. Kalpit Shishodia for Mr. Sharad Kothari.
For Respondent(s)	:	Mr. Mahaveer Bishnoi, AAG. Mr. Rajvendra Saraswat.

HON'BLE THE CHIEF JUSTICE MR. SANJAY K. AGRAWAL
HON'BLE MR. JUSTICE BALJINDER SINGH SANDHU

Order

26/11/2026

1. Learned counsel for the petitioner submits that the authorities under the CGST Act are seized of the matter pursuant to a survey conducted at petitioner’s premises on 26.09.2019. However, taking cue from the fact that the petitioner has deposited Rs.70 lacs being wrongly availed Input Tax Credit, the State authorities have also conducted survey at petitioner’s

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premises on 21.12.2020 and are proceeding against the petitioner. Learned counsel also submits that in light of Section 6(2)(b) of the RGST Act, once the proper officer under CGST Act is seized of the matter, the authorities under RGST Act ceases to have jurisdiction in view of the decision rendered by the Hon'ble Supreme Court in the case of **Armour Security (India) Limited Vs. Commissioner, CGST, Delhi East Commissionerate and Another (2026) 4 SCC 338.**

2. Learned counsel for the respondents have supported the impugned order.

3. We have heard learned counsel for the parties.

4. The Hon'ble Supreme Court in the case of **Armour Security** (supra) held as under:-

> *"106. We summarise our final conclusion as under:*
> *106.1. 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".*
> *106.2. 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.*
> *106.3. 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.*
> *106.4. Parallel proceedings should not be initiated by other tax administration when one of the tax administrations has already initiated intelligence-based enforcement action.*
> *106.5. 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.*
> *106.6. 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.*
> *106.7. 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.*
> *106.8. 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.*
> *106.9. Where the proceedings concern distinct infractions, the same would not constitute a "same subject-matter" even if*

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the tax liability, deficiency, or obligation is same or similar, and the bar under Section 6(2)(b) would not be attracted.

106.10. 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.

107. 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:

107.1. 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.

107.2. 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.

107.3. 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 utilisation of the Department's time, effort, and resources, bearing in mind that action initiated by one authority enures to benefit of all.

107.4. 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.

107.5. 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.

107.6. 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.

107.7. 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.

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107.8. 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 High Court concerned under Article 226 of the Constitution of India.

107.9. 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.

108. Before parting with this matter, we deem it appropriate to make certain suggestions concerning the common IT infrastructure shared by the Central and State Tax Authorities. It is imperative that the departments act in harmony and maintain heightened vigilance with respect to intelligence inputs received by them, so as to give full effect to the legislative intent underlying the GST regime. Such coordination would also serve to mitigate the unnecessary hardship caused to taxpayers by overlapping proceedings and lack of inter-departmental communication.

109. The DGGI may consider adopting necessary measures to develop a robust mechanism for seamless data and intelligence sharing between the Central and State Authorities, including provision for real-time visibility to both authorities of any action taken pursuant to an intelligence input, thereby advancing the objectives of harmony and cooperative federalism.

110. Accordingly, the present petition is disposed of in the above terms. Pending application(s), if any, shall also stand disposed of."

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5. In view of the above, the writ petition is disposed of in terms of the judgment passed in **Armour Security** (supra) and the authorities to follow the same strictly in accordance with law. The proceedings initiated by the authorities of the CGST would continue subject to verification.

(BALJINDER SINGH SANDHU),J (SANJAY K. AGRAWAL),CJ

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