IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

CWP No.4845 of 2025
Date of decision: 06.07.2026

M/s Vardhman Ispat Udhyog. ...Petitioner.

Versus

Adjudicating Authority cum Deputy Commissioner,
Central Goods & Service Tax Division
Dharamshala & Ors. …Respondents.

Coram

Hon'ble Mr. Justice Vivek Singh Thakur, Judge.

Hon'ble Mr. Justice Ranjan Sharma, Judge.

Whether approved for reporting?[1]

For the petitioner	:	Mr. Shrawan Dogra, Senior Advocate with Mr. Manik Sethi, Advocate.
For the respondents	:	Mr. Vijay K. Arora, Senior Advocate with Mr. Hitansh Raj, Mr. Gaurav Kumar & Ms. Avantika Bhandari, Advocates.

Vivek Singh Thakur, Judge

Petitioner has approached this Court seeking following main substantial relief:-

> "A A writ in the nature of mandamus or any other appropriate writ to quash and set-aside the impugned show cause notice dated 11.03.2025 issued by the Respondent no.1 (Annexure P-10) along with the commutations dated 22.07.2024 and 13.02.2025 (Annexure P-7 & Annexure P-8, respectively) as being arbitrary, illegal and without jurisdiction."

2. The issue involved in present case is no longer res integra, it has been settled by Apex Court in ***M/s Armour Security (India) Ltd. v. Commissioner, CGST, Delhi East & Anr.,*** reported in ***AIR 2025 SC***

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[1] *Whether the reporters of the local papers may be allowed to see the Judgment?* Yes

3854 & (2025) SCC Online 1700, which lays down binding directions regarding the scope of 'initiation of proceedings', 'subject-matter', and the 'interrelationship between Central and State GST authorities'. Relevant paragraphs No.96 and 97, containing conclusions including guidelines, read as under:-

"**E. CONCLUSION**

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.

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 ensures 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."

3. In present case, the Additional Director, Directorate General of Goods and Services Tax Intelligence, Jaipur Zonal Unit, sent a communication of the Commissioner of CGST and Central Excise, Shimla Commissionerate, Shimla, on 24.11.2023 (Annexure P-4) along with certain information regarding the business of the petitioner.

4. The Assistant Commissioner (Anti-Evasion) , O/o Principal Commissioner, Central Goods & Services Tax Commissionerate, Shimla, sent a communication to the petitioner for verification of

availment of ITC-reg. vide communication dated 24.06.2024 (Annexure P-5).

5. In response to aforesaid letter, petitioner submitted information vide letter dated 25.06.2024 (Annexure P-6).

6. Thereafter, another communication dated 22.07.2024 (Annexure P-7) was sent to the petitioner by Superintendent, CGST Range, Una, regarding deposit of fake ITC passed by various fake firms/firms operated/managed through cloud server.

7. Another communication dated 13.02.2025 (Annexure P-8) was sent by Superintendent, CGST Range, Una, to the petitioner on the same issue.

8. In response to the communication dated 13.02.2025, petitioner submitted a reply dated 24.02.2025 (Annexure P-9) to the Superintendent, CGST Range, Una.

9. Lastly, Deputy Commissioner, Central Goods & Services Tax Division-Dharamshala, issued Show Cause Notice ('SCN') dated 11.03.2025 (Annexure P-10) in the aforesaid subject matter to the petitioner.

10. In the aforesaid backdrop, petitioner approached this Court against issuance of multiple communication(s) claiming initiation of parallel proceedings by various Authorities on the same subject against the petitioner.

11. Learned counsel for the petitioner submits that once a notice was issued by one Authority, wherein detailed reply has been filed by the petitioner that proceedings should been taken to logical end and no other notices on the same subject matter should have been issued by the respondent, which have been referred hereinabove.

12. In ***Armour Security*** (*supra*), particularly in para 96 & 97, it has been mandated by the Apex Court that where on the same subject matter no show cause notice has been issued, but various proceedings/summons/intimations have been issued, the concerned Authorities should decide about the Authority which shall proceed further in the issue involved, however, it is also mandate of the Apex Court in the said judgment that where Show Cause Notice (SCN) has been issued, the Authority, which has issued Show Cause Notice, shall have precedence to continue and complete the proceedings and all other proceeding shall follow the outcome of the proceedings initiated in furtherance to Show Cause Notice on the same subject matter.

13. In the present case, for the first time Show Cause Notice has been issued on 11.03.2025, therefore, petitioner is directed to file detailed reply to the said Show Cause Notice and all other proceedings initiated or proposed to be initiated on the same subject matter shall not be proceeded further, rather information, if any, shall be forwarded by such Authorities to the Authority, which has issued the Show Cause Notice on 11.03.2025, with prior intimation to the petitioner so as to

enable the petitioner to respond to such information related to the same subject matter.

14. In view of the aforesaid discussion and in the light of the law laid down by the Hon'ble Supreme Court in *M/s Armour Security (India) Ltd. v. Commissioner, CGST, Delhi East & Anr.* (supra), the present writ petition stands disposed of with a direction that the petitioner shall submit its reply to the Show Cause Notice dated 11.03.2025 before the competent Authority, which shall proceed with the matter in accordance with law. All other Authorities, dealing with the same subject matter, shall act in conformity with the directions contained in paragraphs 96 and 97 of the aforesaid judgment in ***Armour Security's*** *case* (*supra*) and shall furnish all relevant material, if any, to the adjudicating Authority, with due intimation to the petitioner, so as to afford it an effective opportunity to respond.

15. Thereafter, competent authority shall pass appropriate order in accordance with law expeditiously. Pending miscellaneous application(s), if any, shall also stand disposed of in same terms.

(Vivek Singh Thakur)
Judge

(Ranjan Sharma)
Judge

6th July, 2026
(Pardeep)