Armour Security (India) Ltd. vs Commissioner, CGST, Delhi East Commissionerate & Anr.

Whether issuance of summons under Section 70 CGST Act amounts to "initiation of proceedings" under Section 6(2)(b) and bars parallel action by another authority.

Date of Order: March 6, 2025
Case Law No: GIB- SC-2025-25
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CASE DESCRIPTION / SUMMARY

Facts :
The petitioner company received a show cause notice under Section 73 CGST Act from State GST authorities for alleged tax shortfall and excess ITC.
Subsequently, Central GST authorities conducted a search and issued summons under Section 70 requiring production of documents.
The petitioner challenged the summons before Delhi High Court, contending that parallel proceedings on the same subject matter were barred under Section 6(2)(b).
The High Court dismissed the writ petition, holding that summons and investigation are not "proceedings".

Court Decision:
The Supreme Court upheld the High Court's view and dismissed the SLP.
It held that issuance of summons under Section 70 is part of inquiry/investigation and cannot be equated with "initiation of proceedings" under Section 6(2)(b).
"Proceedings" under Section 6(2)(b) refer to adjudicatory actions such as assessment, demand, or penalty proceedings under Sections 73 or 74.
Summons is only a step to collect evidence and precedes formal proceedings; hence, no bar on parallel inquiry by another authority.
The Court interpreted Section 6 within the framework of "single interface" and "cross-empowerment", holding that intelligence-based enforcement actions can be initiated by both Central and State authorities.

Cases Referred:

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- *G.K. Trading v. Union of India*
- *Kuppan Gounder P.G. Natarajan v. Directorate General of GST Intelligence*
- *Anurag Suri v. Director General of GST Intelligence*
- *Indo International Tobacco Ltd. v. Vivek Prasad*
- *K.T. Saidalavi v. State Tax Officer*
- *Rais Khan v. Addl. Commissioner*
- *M/s R.P. Buildcon Pvt. Ltd. v. Superintendent, CGST*
- *Tvl. Metal Trade Incorporation v. GST Council Secretariat*
- *Vivek Narsaria v. State of Jharkhand*
- *Stalwart Alloys India Pvt. Ltd. v. Union of India*
- *Kundlas Loh Udyog v. State of H.P.*
- *Chief Commissioner of CGST v. Safari Retreats Pvt. Ltd.*
- *K.P. Mohammed Salim v. CIT*

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