Kuppan Gounder P.G. Natarajan v. Directorate General of GST Intelligence

Whether a Section 70 summons from the Central authorities is barred under Section 6(2)(b) because the State authorities have scrutinised the same assessee's return.

Date of Order: July 29, 2021
Case Law No: GIB-MHC-2021-08
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Background

The petitioner challenged a Section 70 summons of 08.07.2021 issued by DGGI to him in an inquiry concerning his company, saying that the State authorities had issued a notice on 17.12.2020 about discrepancies in the return and, under Section 6(2)(b), the Central authorities had to wait. The Department said that this was a fourth writ petition, that the State action and the IGST inquiry were different matters, and that the petitioner was obstructing the investigation.

Final Verdict

The Court held that for Section 6(2)(b) the subject matter before both authorities must be the same, which the person must establish before the competent authority, and that **mere pendency of proceedings before the State authorities is not a ground to restrain the Central authorities from issuing summons and investigating other allegations.** The Court said that entertaining writs at the summons stage would paralyse the investigation, and disapproved the filing of one writ after another against each summons.

The writ petition was dismissed; the petitioner may respond to the summons and defend himself in the manner known to law, and the Department may continue with the investigation.

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