IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 09.12.2025

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THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.48050 of 2025
and
W.M.P.Nos.53685 & 53687 of 2025

Tvl.Quality Engineers & Constructors,
Rep. By its Proprietor, Mr.N.Elamurugan,
7A, Rajaji Nagar, Mannargudi,
Tiruvarur District – 614 001. ... Petitioner

Vs.

The State Tax Officer,
Mannargudi Assessment Circle
West First Street, Water Tank Building,
Mannargudi – 614 001.
Thiruvarur District. ... Respondent

Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records of the impugned order bearing Ref. No. ZD330325115540Y dated 17.03.2025 passed by the Respondent under Section 161 of the TNGST Act, 2017 to quash the same.

For Petitioner : Mr.P.Thangaraj

For Respondent : Mr.V.Prashanth Kiran
Government Advocate

ORDER

Mr.V.Prashanth Kiran, learned Government Advocate, takes notice for the respondent.

2. With the consent of the learned counsel for the petitioner and learned Government Advocate for the respondent, this writ petition is being disposed of at the time of admission.

3. The petitioner is before this Court against the impugned Order dated 17.03.2025 passed by the respondent, whereby the earlier Order dated 29.05.2024 came to be partly modified, taking note of the Central Authority's Order-In-Original No. 09/2024-GST, dated 19.04.2024.

4. As far as Order-In-Original No. 09/2024-GST is concerned, the dispute pertains to the alleged belated availment of Input Tax Credit under Section 16(4) of the respective GST Act. The petitioner has preferred an

appeal against the said order before the Appellate Authority on 20.06.2024 and the same is pending consideration.

5. *Prima facie,* the issue, as far as Section 16(4) violation is concerned, stands covered by statutory intervention in view of insertion of Section 16(5) and 16(6) by way of Finance (No.2) Act, 2024 (15 of 2024), dated 16.08.2024, w.e.f. 27.09.2024 vide SO 4523(E) w.r.e.f 01.07.2017. The demand that was confirmed by the Order dated 29.05.2024 for the tax period 2018-2019, which was also covered by the Order-In-Original No. 09/2024-GST dated 19.04.2024, has now been rectified by the impugned Order dated 17.03.2025, pursuant to an application filed on 27.08.2024 to rectify the Order dated 29.05.2024.

6. Thus, the surviving demand is only on account of the difference in the amount confirmed by the Central Authority by Order-In-Original No. 09/2024-GST dated 19.04.2024 on account of the alleged violation of Section 16(4) of the respective GST Act and on account of the interest due and payable by the petitioner for late filing of GSTR-3B returns. The interest has been levied under Section 50(1) read with Section 75(12) of the respective GST enactments.

7. As such, the concern of the petitioner stands addressed insofar as the duplication/overlap of the demand, which is consistent with the decision of the Hon'ble Supreme Court in ***Armour Security (India) Ltd. v. Commissioner, CGST, Delhi East Commissionerate and another***, reported in ***(2025) 145 GSTR 385***. In Paragraph 98, 99, 100 and 101 of the said judgment, the Hon'ble Supreme Court held as under:

"98. 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.

99. 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.

100. 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.

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

8. As far as the payment of interest is concerned, there is no scope for interference, as interest is due and payable by the petitioner on account of belated payment of tax and late filing of returns in GSTR-3B. Therefore, this writ petition is liable to be dismissed.

9. Accordingly, this Writ Petition is dismissed. Consequently, connected miscellaneous petitions are closed. No costs.

09.12.2025

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Neutral Citation : Yes / No

To

The State Tax Officer,
Mannargudi Assessment Circle
West First Street, Water Tank Building,
Mannargudi – 614 001.
Thiruvarur District.

C.SARAVANAN, J.

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