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W.P(MD)No.8991 of 2026



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated: 02.04.2026

CORAM

**THE HONOURABLE MR JUSTICE D.BHARATHA
CHAKRAVARTHY**

**W.P(MD)No.8991 of 2026
and
W.M.P(MD)No.7215 of 2026**

M/s.V.M.&Co.,
Represented by its Managing Partner
Mr.V.Manoharan
No.6, Raja Dhinaagar Palace East Street,
Ramanathapuram-623501

... Petitioner

Vs.

The State Tax Officer
Commercial Taxes Department,
Ramanathapuram Assessment Circle,
No.73/2 Central Plaza, Salai Street,
Ramanathapuram-623 501

...Respondent

Writ Petitions are filed under article 226 of the Constitution of India,
praying to issue a Writ of Certiorari, call for the records pertaining to the
impugned order dated 08.09.2025 passed in GSTIN:
33AAIFV9271C1Z3/2018-19, for the tax period of 2018-2019 and its
consequential order of rejection of “Rectification of Orders” dated
08.12.2025 by the respondent herein and quash the same.



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For Petitioner
For R1 & R2

:Mr.R.R.Thamothar Raj
:Mr.A.Baskaran,
Additional Government Pleader

ORDER

This writ petition is filed for a writ of certiorari challenging the order dated 08.09.2025.

2.Upon hearing the learned counsel on either side and perusing the material records of the case, the impugned order dated 08.09.2025 is an order of assessment passed under Section 74 of the TNGST Act 2017. The second impugned order dated 08.12.2025 is passed on the rectification application submitted by the petitioner.

3.The case of the petitioner is that earlier with reference to the very same financial year 2018-19, an inspection was made by the Directorate of GST Intelligence, Coimbatore Zonal Unit, Government of India and after considering the records, finding the difference in turnover shown in the income tax returns and GSTR-3B, and exercise was undertaken and finally an order was passed on 08.12.2022. The liability decided thereon was accepted by the petitioner and the petitioner had also paid the tax imposed on him. While so, with reference to the very same issue, show cause notice



was issued, the petitioner filed a reply stating that in view of the decision of the Central Authorities dated 08.12.2022 and in view of the bar under Section 6(2)(b) of the TNGST Act, 2017, the same exercise cannot be redo by the respondent. The respondents considered the said issue.

4.It is the case of the respondent that when they have suppressed the sale transaction to a large extent, without submitting any document with reference to the same, the petitioner only indulged in relying upon the order passed by the Central authority. Therefore, holding that the same is untenable the entire suppression, as noted, was ordered to be taxed and with interest and penalty under Section 74 of the TNGST Act, 2017. The petitioner filed a rectification application which is also dismissed and therefore, the petitioner is before this Court.

5.The learned counsel appearing on behalf of the petitioner would submit that when the Central authorities have considered the same issue, there is a clear bar for the State authorities to take up the same.

6.Per Contra, the learned Additional Government Pleader would submit that a perusal of the order passed by the central authority, it can be seen that particular GSTR-3B alone was taken into account by the central



authorities and compared to the ITR returns and the difference was determined, whereas the authorities in the instant case have taken into account form GSTR-9, which pertains to the annual return and since they have found that there is suppression of sales, have passed the order.

7.The learned Additional Government Pleader would submit that the matter is no longer *res integra* having been decided by the Hono'ble Supreme Court, *Armour Security(India) Ltd., V Commissioner, CGST, Delhi East Commissionerate and another, reported in (2025) 145 GSTR 385*.

8.I have considered the rival submissions made on either side and perused the material records of the case.

9.In order to consider the issue, it is essential to extract section 6(2) (b) of CGST Act 2017, which reads as follows:

“Section 6(2)(b) in The Central Goods and Services Tax Act, 2017 : (b)where a proper officer under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act has initiated any proceedings on a subject matter, no proceedings shall be initiated by the proper officer under this Act on the same subject matter.”



10. Therefore, it is clear that once the subject matter is dealt by the central authorities, the state authorities cannot once again Initiate proceedings on the same subject matter. The issue is dealt with by the Hono'ble Supreme Court in the judgment in *Armour Security* (cited supra) and it is essential to extract paragraph 97 and 98:

“97. 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



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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.

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



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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.



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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.”



11. Thus, it can be seen that the term 'same subject matter' has been explained by the Hon'ble Supreme Court to mean the concerned 'distinct infractions' and therefore, it does not mean 'the year in general' or 'return in general'. If the particular transaction or the infraction, if it had been dealt with by the central authority, the very same issue cannot be re-opened by the state authorities. In this case, even though it is generally pleaded that the issue is covered by the order of the Central Authority, on a perusal of the same, they have taken into account the difference in tax for the period from 01.07.2021 to 21.09.2022 and also some of the other aspects during September 2021, February 2022, August 2022 and November 2022 and they were considering Form GSTR-3B.

12. In the order of the impugned, the state authority even though seem to reject the case of the petitioner whether they are excluding the particular infractions that are covered in the order of the central authorities is not specifically mentioned. The petitioner is also claiming a blanket cover under Section 6(2)(b) of the Act and in turn, the authority also have rejected on the whole. Therefore, there is no specific finding that the entire liability is taken into account decided or the impugned order does not cover the transaction dealt with by order of the Director General of GST Intelligence, Coimbatore Zonal unit.



13. In view thereof, I am of the view that the impugned order is not sustainable and the matter has to be remanded back to the respondents, this writ petition is ordered on the following terms:

(i) The impugned orders 08.09.2025 and 08.12.2025 shall stand quashed. The matter shall stand remanded back to the file of the respondent for re-consideration.

(ii) It is open for the petitioner to produce the documents in respect of the entire transactions, the suppression of which is alleged by the respondent. The respondent shall specifically take into account as to whether the entire transaction are part of and is covered by the order of the central authorities, and to the extent it is covered by the central authorities, the same shall stand excluded from the purview of consideration. If the subject matter is different, or not dealt with earlier, the respondent shall re-consider the same and pass orders afresh in the manner known to law.

(iii) No costs. Consequently, connected miscellaneous petition is closed.

02.04.2026

NCC:Yes/No
Ns



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To

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D.BHARATHA CHAKRAVARTHY, J.

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