

M/s Armour Security (India) Ltd. v. Commissioner, CGST, Delhi East Commissionerate & Anr.

Case number: Special Leave Petition (Civil) No. 6092 of 2025

Citation: 2025 INSC 982 **Decision date:** 2025-08-14

GST cross-empowerment, parallel investigations and section 6(2)(b)

Court: Supreme Court

Bench: J.B. Pardiwala and R. Mahadevan, JJ.

Decision stage: Reasoned final disposal of special leave petition

01 Facts

Armour Security, a security-services company registered with the Delhi GST authorities, received a State-authority show-cause notice dated 18 November 2024, recorded by the Court as issued under section 73 for April 2020 to March 2021. It proposed tax of Rs. 1,24,92,162 in aggregate CGST, SGST and IGST, with interest and penalty, on alleged under-declaration of net tax from turnover/return/e-way-bill mismatches and excess input tax credit (ITC). This was the notice's proposed demand, not a liability upheld by the Supreme Court. Central GST officers subsequently searched its premises on 16 January 2025 under section 67(2), seized electronic devices and documents, and issued section 70 summons to directors. Further summons followed on 23 January. Armour informed the Central authority that the State authority was already examining similar issues, including credit from cancelled suppliers, and challenged the summons under section 6(2)(b). The Delhi High Court dismissed W.P.(C) No. 1082 of 2025 on 7 February 2025. The Supreme Court considered whether these summons amounted to initiation of proceedings on the same subject matter, together with the proper operation of cross-empowerment and protection against duplicated investigations.

Pinpoint: Paragraphs 1-20; official PDF pages 3-10 (printed pages 2-9). Notice, search and summons chronology: paragraphs 3-7.

02 Court Discussion

The Court distinguished single-interface administration from cross-empowered intelligence-based enforcement. Routine action arising from audit of accounts or detailed scrutiny of returns belongs to the administration to which the taxpayer is assigned. Intelligence-based enforcement may be initiated by either Central or State authorities across the value chain, irrespective of that allocation. Intelligence in this context concerns evasion information from the transaction/value chain rather than ordinary administrative scrutiny. Paragraph 51 expressly clarifies that either administration can undertake scrutiny or audit where that action itself is founded on evasion intelligence. The Court did not create an unrestricted right to demand routine information: intelligence gathering should be non-intrusive, and summons should not routinely seek material readily available on the GST portal. It directed compliance with the 17 August 2022 summons guidelines in letter and spirit.

For section 6(2)(b), the formal commencement of adjudicatory proceedings is the issue of a show-cause notice. Summons, search, seizure and evidence-gathering are investigative steps; they do not by themselves establish that a demand will follow, identify its definitive subject matter or trigger the statutory bar. The

show-cause notice supplies the charges, legal grounds and proposed demand, affords a response, and fixes the scope of adjudication. Section 75(7) reinforces that an order cannot exceed the notice's demand or confirm it on different grounds. The Court approved the relevant distinction drawn in *G.K. Trading and K.T. Saidalavi*. The administrative-allocation circular of 5 October 2018 does not prohibit cross-empowered intelligence action; taking such action to its logical conclusion does not invariably require an assessment order.

The subject matter is the specific contravention and liability, deficiency or obligation that the Revenue seeks to assess or recover, as crystallised in the notice. The twofold comparison is whether an authority has already proceeded on the identical tax liability or alleged offence on the same facts, and whether the demand or relief is identical. Read with paragraphs 86-87 and 96(viii), this also catches partial overlap in the liability arising from the particular contravention. Distinct infractions remain distinct subject matters even where the amount or description of liability is similar. A broad label such as wrongful ITC, or an overlapping investigative facet, does not itself establish identity. In *Armour's* case, the later summons did not establish that their eventual subject matter would coincide with the existing notice.

Section 6(2)(a), meanwhile, enables and requires corresponding orders under the parallel enactment with intimation to the jurisdictional counterpart. The Court construed 'order' broadly to cover forms of order the proper officer is statutorily competent to issue. Most importantly, the statutory distinction between investigation and adjudication was accompanied by separate, binding coordination guidelines for overlapping inquiries. The decision therefore does not permit uncoordinated duplicate investigations indefinitely merely because no second show-cause notice has yet been issued.

Pinpoint: Single interface and cross-empowerment: paragraphs 34-53, 75-77 and 96(ii)-(iv), official PDF pages 31-42, 51-53 and 62. Summons and commencement: paragraphs 54-74 and 96(v)-(vi), PDF pages 43-51 and 62-63. Same subject matter: paragraphs 78-90 and 96(vii)-(x), PDF pages 53-60 and 63. Orders and coordination: paragraphs 91-97, PDF pages 60-66.

03 Decision

The Court rejected *Armour's* jurisdictional challenge to the summons and agreed with the High Court's distinction between information-gathering and adjudication. Paragraph 1 records that the Court had decided at the 6 March 2025 admission hearing to dismiss the SLP and reserved reasons; the signed judgment dated 14 August 2025 concludes in paragraph 100 by disposing of the petition in its stated terms, with pending applications also disposed of. No summons or show-cause notice was quashed in *Armour's* case, and no tax demand or ITC eligibility was adjudicated on merits.

Paragraph 97 directs the following response to potentially duplicated inquiries or investigations: the taxpayer must initially comply with the summons or notice and promptly notify the later authority in writing of the existing inquiry; the authorities must communicate and verify the overlap. If they find the matters distinct, they must immediately give the taxpayer written reasons identifying the distinct subject matters. The authorities may investigate while the position is being ascertained, but a show-cause notice covering a liability already covered by an existing notice must be quashed. If the same matter is already under investigation, the authorities must decide between themselves which will continue, and the other must transfer its material and information to that authority. The taxpayer has protection against duplication, but no right to select the investigating authority. If the authorities cannot agree, the authority that first began the inquiry or investigation carries it to its conclusion; courts may direct transfer to that authority. Failure to follow these guidelines may be challenged under Article 226, while the taxpayer must continue to cooperate and respond.

The Court also directed adherence to the existing summons guidelines. Its closing discussion encouraged coordinated IT infrastructure and suggested that DGGI consider a mechanism for seamless, real-time sharing of action and intelligence. The latter is a recommendation, not a finding that such a system had already been implemented.

Pinpoint: Case disposition: paragraphs 1, 61-62, 89 and 100, official PDF pages 3, 45-46, 59 and 67. Summons-guideline direction: paragraph 60, PDF page 45. Coordination guidelines: paragraph 97(a)-(i), PDF pages 64-66. Infrastructure suggestions: paragraphs 98-99, PDF pages 66-67.

04 In Favour Of

Respondent Revenue authorities on challenge to summons; qualified by binding anti-duplication safeguards

In favour of the respondent Revenue authorities on Armour's challenge to the Central GST summons, qualified by taxpayer-protective directions against duplication. This is a reasoned final disposal at the SLP stage, not a judgment after grant of leave in a civil appeal, a remand on tax liability, or an approval of the proposed demand. The investigative challenge failed, but the Court prescribed enforceable coordination steps, written reasons where matters are distinct, and an Article 226 remedy for non-compliance. Its general direction to quash a duplicative show-cause notice must not be mistaken for quashing the State notice or Central summons in this case.

Pinpoint: Paragraphs 1, 61-62, 89 and 97-100; official PDF pages 3, 45-46, 59 and 64-67.

05 AKHB REVIEW POINT

AKHB REVIEW POINT: Build a dated record of each authority's notice, summons, search, stated basis, covered tax period, transactions, suppliers, alleged contraventions and quantified demand. Test actual overlapping liability rather than relying only on the same financial year or the generic description 'ITC'. Distinguish ordinary assigned-administration audit/scrutiny from an action genuinely founded on evasion intelligence, and retain the material showing its basis. A summons is not a sound reason to assume either that the entire investigation is barred or that there is no protection against duplication. Comply and promptly place the existing inquiry and supporting documents before the later authority in writing; ask the authorities to coordinate and, if they say the matters differ, obtain the written reasons and identification of distinct subject matters required by paragraph 97.

Do not assume that the first summons automatically confers immutable exclusive jurisdiction. Consolidation is initially for the authorities to agree; first initiation is the fallback when they cannot agree, and the taxpayer cannot choose the authority. If a subsequent notice duplicates an existing liability, identify the exact duplication and obtain appropriate relief rather than treating the notice as self-cancelled or ignoring response deadlines. Consider Article 226 where the coordination guidelines are breached, on a documented record. Review the specificity of summons, whether requested material is already on the portal, and whether the relied-on evidence and grounds are actually disclosed in the show-cause notice.

This is AKHB's practical analysis of the judgment. The ruling does not resolve the merits of Armour's credit claim, determine the validity of transactions with cancelled suppliers, or supply a current consolidated statement of every GST demand, summons or allocation provision. Before relying on it in an active matter, check later court treatment, the applicable tax period, statutory amendments and current administrative instruments. The full primary judgment was reviewed for this note; later precedential and legislative treatment has not been comprehensively verified.

Pinpoint: AKHB analysis based on paragraphs 47-51, 58-60, 65-74, 82-90 and 96-99; official PDF pages 39-41, 44-45, 47-51, 55-60 and 62-67.

Sources and limitations

Relevant provisions

Central Goods and Services Tax Act, 2017: sections 6(1), 6(2)(a)-(b), 59, 67, 70, 73, 74, 75(7) and 76; corresponding SGST/UTGST provisions

Constitution of India: Article 226 (remedy for non-compliance with the coordination guidelines)

Circular No. 01/2017 dated 20 September 2017 (administrative division of taxpayer base)

D.O. F.No. CBEC/20/43/01/2017-GST (Pt.) dated 5 October 2018 and clarification F.No. CBEC-20/10/07/2019-GST dated 22 June 2020 (cross-empowerment)

CBIC Guidelines on Issuance of Summons under section 70 dated 17 August 2022

Circular No. 31/05/2018-GST dated 9 February 2018 (proper officers and show-cause notices), as discussed in the judgment

Statutory note

The note explains section 6 and the instruments discussed in the 14 August 2025 judgment, including its distinction between ordinary assigned-administration scrutiny and intelligence-founded action. Quoted circulars and the 17 August 2022 summons guidelines are identified as considered by the Court; this is not an independent certification that every historical text remains unamended or applies identically to every current tax period. No comprehensive later statutory or administrative-instruction audit has been completed.

Treatment note

Primary judgment verified on 12 October 2026. A limited official-site web-index check located the primary judgment but did not establish complete later case history. No comprehensive search for review orders, subsequent judgments, overruling, later legislation or current applicability has been completed; current precedential treatment is not certified. This is an AI-assisted source-based AKHB research note, not evidence of human legal review. It provides general information and is not a substitute for professional advice on the reader's facts.

Scope of source review

Complete 67-page official PDF, consisting of an unnumbered cover and 66 numbered pages; paragraphs 1-100 read in full. Neutral citation and case number checked on the cover; bench and decision date checked on the signature page. Physical PDF pages are used in the pinpoints; subtract one for printed page numbers. The embedded CAG flowchart on physical PDF page 48 was visually inspected. The 6 March 2025 admission/reservation history in paragraph 1 is not substituted for the signed judgment date.

Primary source

Source description: Supreme Court of India official signed judgment dated 14 August 2025

Official source: [Open source document](#)

AKHB source PDF: [Open source document](#)

Judges: J.B. Pardiwala; R. Mahadevan

Outcome kind: final

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