



2026:DHC:3371-DB



\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Reserved on: 22<sup>nd</sup> April, 2026*  
*Pronounced on: 23<sup>rd</sup> April, 2026*

+ **W.P.(C) 1036/2026 & CM APPL. 5022/2026**

**M/S RAMADA ENGINEERING INDUSTRY  
THROUGH ITS PARTNER  
SH. VIRENDER KUMAR GUPTA  
F- 1695, INDUSTRIAL AREA DSIDC,  
NARELA, NEW DELHI, DELHI- 110040**

**.....PETITIONER**

Through: Mr. Akhil Krishan Maggu,  
Mr. Vikas Sareen, Ms. Oshin  
Maggu, Mr. Aryan Nagpal and  
Ms. Mehak Sharma, Advs.

versus

1. **ADDITIONAL COMMISSIONER (ADJUDICATION)**  
CENTRAL GOODS AND SERVICES TAX, DELHI NORTH  
O/O PRINCIPAL COMMISSIONER, CENTRAL GST,  
DELHI NORTH, C.R. BUILDING, I.P. ESTATE,  
NEW DELHI-110109

**.....RESPONDENT NO. 1**

2. **SALES TAX OFFICER-CLASS-II**  
WARD 71, ZONE 6, DEPARTMENT OF TRADE AND  
TAXES, VYAPAR BHAWAN, I.P. ESTATE,  
NEW DELHI-110002

**.....RESPONDENT NO. 2**

Through: Mr. Atul Tripathi, SSC with  
Mr. Shubham Mishra,  
Mr. Gaurav Mani Tripathi,  
Mr. Akshay Sagar and  
Mr. Madhav Anand, Advs.



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Mr. Sumit K. Batra and  
Ms. Priyanka Jindal, Advs. for  
R-2.

**CORAM:**

**HON'BLE MR. JUSTICE NITIN WASUDEO SAMBRE**

**HON'BLE MR. JUSTICE AJAY DIGPAUL**

**JUDGMENT**

**AJAY DIGPAUL, J.**

1. The present writ petition assails the impugned order dated 30<sup>th</sup> September, 2025 passed by the Principal Commissioner, CGST, confirming the demand of Rs.12,11,258/-, as levied in the show cause notice under Section 74 of the Central Goods and Services Tax Act, 2017<sup>1</sup> for the financial year 2018-2019 dated 27<sup>th</sup> June, 2025.
2. The petitioner is a partnership firm operated by its partner Shri. Virendra Kumar Gupta, and deals with the supply of scientific products, and has been duly registered under the Goods and Services Tax Act, 2017<sup>2</sup> having GSTIN 07AALFR8301C1ZE.
3. Respondent no. 2 issued a show cause notice dated 22<sup>nd</sup> May, 2024 under Section 73 of the State Goods and Services Tax Act<sup>3</sup> for the Financial Year 2019–2020, proposing a demand of Rs.15,72,948/- on account of incorrect declaration of tax liabilities in the Petitioner's annual return in Form GSTR-9, particularly with respect to the availment of excess Input Tax Credit<sup>4</sup> on inward supplies. The said demand for the Financial Year 2019–2020 was thereafter confirmed by Respondent no. 2 *vide* Order-in-Original dated 27<sup>th</sup> August, 2024.

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<sup>1</sup> Hereinafter "CGST Act"

<sup>2</sup> Hereinafter "GST ACT"

<sup>3</sup> Hereinafter "SGST Act"

<sup>4</sup> Hereinafter "ITC"



4. The petitioner was issued another show cause notice under Section 74 dated 27<sup>th</sup> June, 2025 for another financial year viz. 2018-2019. The show cause notice proposed a demand of Rs.12,11,258/- on account of wrongful availment of ITC from goods-less invoices received from a non-existent firm viz. M/S Sawariya Traders.

5. In response thereto, the petitioner submitted a reply dated 01<sup>st</sup> August, 2025 stating that the subsequent proceedings under Section 74 CGST Act are barred under Section 6(2)(b) of the CGST Act.

6. The demand proposed in the show cause notice dated 27<sup>th</sup> June, 2025 under Section 74 for the Financial Year 2018–2019 came to be confirmed *vide* the impugned Order-in-Original dated 30<sup>th</sup> September, 2025, which is presently under challenge before this Court.

7. Thus, the record indicates that Respondent No. 2 issued a show cause notice dated 22.05.2024 under Section 73 of the SGST Act for the financial year 2019–2020, proposing a demand of ₹15,72,948, which came to be confirmed by an Order-in-Original dated 27.08.2024. The petitioner was also issued a show cause notice dated 27.06.2025 under Section 74 of the CGST Act for the financial year 2018–2019, proposing a demand of ₹12,11,258, which was subsequently confirmed by the impugned Order-in-Original dated 30.09.2025.

8. Mr. Maggu, learned counsel for the petitioner has made the following two-fold contentions:-

- (i) The proceedings initiated under Section 74 of the CGST Act *vide* the show cause notice dated 27<sup>th</sup> June, 2025 arise from the same subject matter as the previous round of proceedings under Section 73 initiated *vide* the show cause notice dated 22<sup>nd</sup> May, 2024, and are thus, hit with the statutory bar to parallel proceedings under Section 6(2)(b).



Thus, the impugned order dated 30<sup>th</sup> September, 2025 is bad in law.

- (ii) The petitioner had not received any notice for personal hearing purportedly sent by the respondent, and the impugned order dated 30<sup>th</sup> September, 2025 fails to consider the submissions of the petitioner in the reply dated 01<sup>st</sup> August, 2025. That being so, the impugned order is in violation of Section 75(4) of the CGST Act, and is perverse in law.

**9.** Heard. Perused the records.

**10.** The question which arises for consideration is whether the proceedings initiated *vide* show cause notice dated 27<sup>th</sup> June, 2025 under Section 74 of the CGST Act for Financial Year 2018–2019 are barred by virtue of Section 6(2)(b) of the CST Act, in light of the prior proceedings initiated *vide* show cause notice dated 22<sup>nd</sup> May, 2024 under Section 73 for Financial Year 2019–2020.

**11.** At the outset, it is apposite to note that Section 6(2)(b) of the CGST Act is intended to prohibit parallel or duplicative proceedings in respect of the same subject matter. The bar, however, is not absolute. It is attracted only where the proceedings sought to be initiated are regarding the same subject matter i.e.; they pertain to the same specific tax liability, arise from the same set of facts, and relate to the same contravention or infraction for the same time period.

**12.** The tax liability of an assessee and the details of the infraction, alleged against him are always borne out from the show cause notice. Thus, in order to check whether the specific tax liability is identical, and whether the same infraction has been sought to be assessed twice, the



court would be required to check the contravention alleged in the two show cause notices and the tax deficiency claimed thereunder.

**13.** From a bare perusal of the two show cause notices, order in originals and the reply of the petitioner dated 01<sup>st</sup> August, 2025, it becomes abundantly clear that there is no overlap of time periods. The proceedings under Section 73, initiated *vide* show cause notice dated 22<sup>nd</sup> May, 2024 are for the Financial Year 2019-2020, whereas, the proceedings under Section 74, initiated *vide* show cause notice dated 27<sup>th</sup> June, 2025 are for the Financial Year 2018-2019.

**14.** Apart from the absence of overlap in the period of assessment, it is equally material to note that the nature of the infractions in both the proceedings is different. Proceedings under Section 73 of the CGST Act are predicated upon cases of short payment of tax or wrongful availment of input tax credit in the absence of any element of fraud, willful misstatement or suppression of facts. In contradistinction, proceedings under Section 74 are attracted where the specific tax liability is alleged to arise by reason of fraud, suppression or deliberate misstatement. The statutory scheme thus clearly contemplates two separate and qualitatively distinct species of infraction, each operating in its own field.

**15.** In the present case, the proceedings initiated under Section 73 for Financial Year 2019–2020 arise from discrepancies in the declaration of tax liability in the annual returns, whereas the proceedings initiated under Section 74 for Financial Year 2018–2019 are premised upon the allegation of wrongful availment of input tax credit on the strength of goods-less invoices from a non-existent entity. Thus, the two proceedings are not on the same subject matter as the nature of the contravention, the underlying period of assessment, and the specific tax



liability sought to be assessed in the two proceedings are, therefore, clearly distinguishable.

**16.** Since the two proceedings pertain to different financial years, this Court considers it appropriate to delineate the respective periods of assessment. The proceedings initiated under Section 73 of the SGST Act, vide show cause notice dated 22.05.2024, relate to the financial year 2019–2020. As regards the proceedings under Section 74 of the CGST Act, while the show cause notice dated 27.06.2025 refers to the period of assessment as “2018–2019 onwards”, a plain reading of the operative portion of the impugned Order-in-Original dated 30.09.2025 indicates that the demand has, in fact, been confined to the financial year 2018–2019.

**17.** In view of the aforesaid, this Court is of the considered opinion that the ingredients necessary to attract the bar under Section 6(2)(b) are not satisfied. The proceedings in question do not seek to assess liability for the same infraction, nor do they arise from the same set of facts or relate to the same assessment period. The impugned proceedings under Section 74 cannot, therefore, be said to be hit by the statutory prohibition against parallel proceedings.

**18.** The Petitioner has also assailed the impugned order on the ground of violation of Section 75(4) of the CGST Act. However, upon a perusal of the impugned order, this Court finds that the contentions advanced by the Petitioner in its reply dated 01.08.2025 have been duly adverted to and considered. In such circumstances, it cannot be said that there has been any infraction of the principles of natural justice. That apart, the Petitioner has an efficacious alternative remedy by way of an appeal under Section 107 of the CGST Act read with Rule 109 of the CGST Rules.



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**19.** It is further clarified that for the purposes of computing limitation before the appellate authority, the period during which the petitioner was pursuing the present proceedings before this Court shall stand excluded.

**20.** The present petition, along with pending applications, if any, stands dismissed.

**AJAY DIGPAUL  
(JUDGE)**

**NITIN WASUDEO SAMBRE  
(JUDGE)**

**APRIL 23, 2026/AS/sg**