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IN THE HIGH COURT AT CALCUTTA
CONSTITUTIONAL WRIT JURISDICTION
APPELLATE SIDE

WPA 2606 of 2025

Truvolt Engineering Company Pvt. Ltd. & Anr.
Versus
The Additional Assistant Director, Director General Of GST Intelligence & Ors.

Mr. Ankit Kanodia
Ms. Megha Agarwal
Mr. Piyush Khaitan
... For the petitioners.

Mr. Prabir Kumar Bhowmik
Mr. Priyankar Ganguly
... For Union of India.

Mr. Bhaskar Prosad Banerjee
Mr. Tapan Bhanja
... For DGGI authority

Mr. Anirban Ray, GP
Md. T. M. Siddiqui, AGP
Mr. Tanoy Chakraborty
Mr. Saptak Sanyal
... For the State.

Mr. Shiv Shankar Banerjee
Mr. K.K.Maiti
... For the respondent CGST.

1. Challenging initiation of investigation vide notice dated $21^{st}/22^{nd}$ November, 2024 as also the subsequent notice dated 30^{th} May, 2025 by the respondent no.1, the instant writ petition has been filed.

2. According to the petitioner, the respondent no. 3 had already issued a show cause notice on 29^{th} November, 2024 for the tax period April, 2019 to

March, 2022 pursuant to an audit proceeding conducted in terms of Section 65 of the CGST/WBGST Act, 2017 (hereinafter referred to as the “said Act”).

3. Mr. Kanodia, learned advocate appearing in support of the writ petition would submit that once the respondent no.3 had proceeded against the petitioner in furtherance to an audit proceeding by issuing a show-cause notice, no further roving enquiry should be permitted to continue against the petitioner for the selfsame period. Independent of the aforesaid, he would submit that the State has already initiated a search and seizure proceeding under Section 67 of the said Act. Such fact would corroborate from the ‘Panchnama’ dated 22nd August, 2024. By placing before this Court an e-mail communication dated 16th May, 2024, it is submitted that the search and seizure proceeding initiated by the State is yet to be taken to a logical conclusion. As such, according to him, the search and seizure proceedings having been initiated by the State for the years 2022-23 to 2024-25, no further search and seizure could have been issued by the Central Authorities in respect of, at least, for the

aforesaid period. In any event, he submits that the petitioner should not be subjected to search and seizure in respect of the period for which an audit has already been conducted.

4. Mr. Banerjee, learned advocate representing the DGGI authorities, being the respondent no.2 would submit that there is no embargo in law preventing DGGI authorities from carrying out search and seizure even if an audit proceeding had been conducted against the petitioner. In this context, he has relied on the provisions of Sections 65, 66 and 67 of the said Act. He would submit that the petitioner has committed fraud and as such, there is no irregularity on the part of the DGGI authorities to unravel the same. Additionally, he would submit that the enquiry made by the DGGI authorities in respect of the suppliers of the petitioner is only limited and does not cover the enquiry presently undertaken by the State. Pursuant to the order dated 9th June, 2025, Mr. Banerjee has produced the records of the case. To substantiate the above he relied on the case records.

5. Mr. Banerjee, learned advocate representing the CGST authorities supports the case of DGGI.

6. Mr. Chakraborty, learned advocate representing

the State submits that in the facts noted hereinabove, steps have been taken by the State authorities to initiate search and seizure proceeding under Section 67 of the said Act against the petitioner. He would, however, acknowledges the fact that such proceeding is yet to be concluded.

7. Having heard the learned advocates appearing for the respective parties, I find that a proceeding under Section 65 of the said act had been conducted by the respondent no.3, for the tax period April, 2019 to March, 2022. In furtherance thereof, a show-cause notice as contemplated under Section 65(7) of the said Act has been issued. The petitioner is contesting the same. In the interregnum, however, not only the State has proceeded with an inspection and a search and seizure under the provisions of Section 67 of the said Act, but the DGGI authorities have also initiated similar proceeding. The question, that falls for consideration in the present writ petition, is whether having regard to the provisions contained in Chapter XIII especially Section 65(7) and Section 66(6) of the said Act, any further enquiry for the selfsame period for which an

audit has already been conducted is permissible. *Prima facie*, the statute does not create any embargo on the authorities to proceed simultaneously under Chapter XIII and Chapter XIV of the said Act. However, at the same time, having regard to the special provision contained in Section 65(7) of the said Act and the respondent no.3 having conducted an audit and having issued a show cause, ordinarily, the registered taxable persons are not to be subjected to multiple enquiries by different authorities without such authorities bringing the search and seizure proceeding to a logical conclusion. Admittedly, in this case, the State has already initiates search and seizure which has not brought to a logical conclusion.

8. Having regard thereto, I am of the view that at this stage, the Central Authority should not be permitted to proceed simultaneously with regard to the period for which the State has been proceeding.

9. In view thereof, the enquiry, if any, by the DGGI authorities should be restricted to the period for which the proceeding has already not been initiated by the State.

10. Steps, if any, taken by the respondent no.2

shall abide by the result of the writ petition.

11. Let affidavit-in-opposition to the present writ petition be filed within a period of six weeks from date. Reply thereto, if any, be filed within four weeks thereafter.

12. Liberty to mention for inclusion in the list after expiry of the period for filing of affidavits.

(Raja Basu Chowdhury, J.)