$~

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

% ***Order reserved on: 09.09.2026***
Order pronounced on: 25.09.2026
Order uploaded on: 25.09.2026

\# **CNR No. DLHC010423722026**

\+ W.P.(C) 13077/2026, CM APPL. 60825/2026 and CM APPL. 60826/2026

M/S VERTILINK MEDIA SOLUTIONS PRIVATE LIMITED .....Petitioner

Through: Mr. Alok Kumar Pandey, Adv.

versus

ANTI EVASION BRANCH & ORS. .....Respondents

Through: Mr. Akash Panwar, Adv.
Mr. Sumit K. Batra and Ms. Priyanka Jindal, Advs.
Mr. Anurag Ojha, SSC along with Mr. Dipak Raj, Mr. Aryaman Singh Chouhan and Mr. Aditya Chaudhary, Advs.

CORAM:
HON'BLE MR. JUSTICE ANIL KSHETARPAL
HON'BLE MR. JUSTICE RAJNEESH KUMAR GUPTA

O R D E R

ANIL KSHETARPAL, J.:

1. Through the present Writ Petition, the Petitioner seeks quashing of the Show Cause Notice dated 29.05.2024 issued by Respondent No.2 under Section 73 of the Central Goods and Services Tax Act, 2017 ["CGST Act"], as also the consequential order dated 29.08.2024 bearing reference No. ZDO70824102713J, whereby a demand of Rs.10,57,75,250/- has been created against the Petitioner.

2. The principal grievance of the Petitioner is that the proceedings initiated by Respondent No.2 are without jurisdiction in view of the proceedings earlier initiated by the Directorate General of GST Intelligence ["DGGI"] against the Petitioner and several other noticees. The Petitioner places reliance upon Section 6(2)(b) of the CGST Act to contend that two authorities could not have initiated parallel proceedings in respect of the same subject matter.

3. The substantive reliefs sought by the Petitioner, as contained in the Writ Petition, read as under:

> *"A. Issue a Writ of certiorari or any other appropriate writ/order/direction against the respondent no 2, by quashing the show-cause notice dated 29.05.2024 as well as subsequent proceedings and declare the same as illegal, without jurisdiction and bad in law. AND*
>
> *B. Issue a Writ of certiorari or any other appropriate writ/order/direction against Order under section 73 of the CGST/DGST Act 2017dated 29.08.2024 vide reference no ZDO70824102713J is illegal, without jurisdiction and bad in law and declare invalid order. And/or*
>
> *C. Issue a writ of certiorari or any other appropriate writ/order/direction to respondent no 2 to close the proceeding against the same subject matter already been adjudicated by the respondent no 4."*

<u>FACTUAL MATRIX:</u>

4. In order to appreciate the controversy involved, the relevant facts, in brief, are required to be noticed.

5. The Petitioner is a private limited company engaged, *inter alia*, in the business of providing script services to Zee Entertainment Enterprises Ltd. The Petitioner is registered with the Delhi GST authorities.

6. The record placed before this Court shows that search proceedings were conducted in connection with the affairs of the Petitioner. On 03.03.2021, a search was conducted at the office of the Petitioner as well as at the residential premises of Mr. Naresh Dhoundiyal, stated to be the Director of the Petitioner. The Petitioner further states that the said Director was arrested.

7. Thereafter, the investigation in respect of the Petitioner came to be dealt with by the DGGI, Mumbai Zonal Unit. The Petitioner states that, pursuant to the transfer of investigation, it joined the investigation and appeared before the investigating authorities in response to summons.

8. On 31.03.2023, the DGGI issued a common Show Cause Notice to as many as forty-five (45) noticees, including the Petitioner and Mr. Naresh Dhoundiyal, the former Director of the Petitioner. The said proceedings were initiated under the provisions of the CGST Act, the Maharashtra Goods and Services Tax Act, 2017 ["MGST Act"] and the Integrated Goods and Services Tax Act, 2017 ["IGST Act"]. The proceedings, according to the Petitioner itself, concerned allegations relating to fraudulent availment of Input Tax Credit and consequential liability under the provisions applicable to cases involving suppression, fraud or wilful misstatement.

9. While the aforesaid proceedings were pending, Respondent No.2, namely the Sales Tax Officer, Class-II, Ward-64, Zone-IV, Delhi, issued a separate Show Cause Notice dated 29.05.2024 under Section 73 of the CGST Act. The said notice concerned the period

April 2019 to March 2020 and alleged that the Petitioner had not declared its correct tax liability.

10. The Petitioner submitted a reply dated 28.06.2024 to the aforesaid Show Cause Notice. The principal objection raised by the Petitioner was that the investigation in respect of the Petitioner had already been undertaken by the Anti-Evasion Branch and thereafter transferred to the DGGI, and that the DGGI had already issued a Show Cause Notice covering the relevant transactions. According to the Petitioner, therefore, the initiation of proceedings by Respondent No.2 was barred by Section 6(2)(b) of the CGST Act.

11. Respondent No.2, however, proceeded with the adjudication and passed the impugned order dated 29.08.2024. By the said order, Respondent No.2 held that the Petitioner had not declared the correct tax liability and had also availed Input Tax Credit from taxpayers who had not discharged the corresponding tax liability on their outward supplies. On this basis, the benefit of ITC was denied with reference to Section 16(2)(c) of the CGST Act and a total liability of Rs.10,57,75,250/- was created against the Petitioner.

12. The Petitioner did not avail the statutory remedy of appeal against the aforesaid order within the prescribed period. Instead, the Petitioner states that it filed an application for rectification on 07.04.2025, reiterating its objection that the proceedings initiated by Respondent No.2 were barred by Section 6(2)(b) of the CGST Act.

13. In the meantime, the proceedings initiated pursuant to the Show Cause Notice issued by the DGGI against the forty-five noticees culminated in an Order-in-Original. It was found in those proceedings

that the main noticee, namely M/s Zee Entertainment Enterprises Ltd., had paid the entire amount of ITC demanded in the Show Cause Notice along with applicable interest and penalty at the rate of 25 per cent of such tax. Consequently, the proceedings against the remaining noticees were treated as concluded in terms of clause (ii) to Explanation 1 to Section 74 of the CGST Act and the corresponding provisions of the MGST Act read with Section 20 of the IGST Act.

14. The Petitioner states that the aforesaid order was brought to the notice of Respondent No.2 and that the Petitioner again requested Respondent No.2 to dispose of the rectification application in light of the conclusion of the DGGI proceedings.

15. The grievance of the Petitioner is that, despite being apprised of the aforesaid development, Respondent No.2 has not disposed of the rectification application. The Petitioner has, therefore, invoked the writ jurisdiction of this Court.

SUBMISSIONS OF THE PETITIONER:

16. Learned counsel for the Petitioner submits that the initiation of proceedings by Respondent No.2 was contrary to the mandate contained in Section 6(2)(b) of the CGST Act. According to him, once the Anti-Evasion Branch had initiated investigation and the investigation had thereafter been transferred to the DGGI, the jurisdiction to proceed in respect of the subject matter vested with the authority which had initiated the intelligence-based investigation.

17. It is further submitted that the DGGI had issued a comprehensive Show Cause Notice dated 31.03.2023 against the

principal noticee as well as the Petitioner and other co-noticees. Thus, according to the Petitioner, the subsequent Show Cause Notice dated 29.05.2024 issued by Respondent No.2 pertained to the very same transactions and the same financial period and was consequently barred under Section 6(2)(b) of the CGST Act.

18. Learned counsel has also relied upon the judgment of this Court in ***Amit Gupta v. Union of India***[1], to contend that Section 6(2)(b) incorporates the legislative intent of preventing multiple proceedings by different GST authorities in respect of the same subject matter.

19. Learned counsel further submits that the subsequent conclusion of the proceedings initiated by the DGGI assumes significance. According to him, once the proceedings against the Petitioner pursuant to the DGGI Show Cause Notice stood concluded on account of the payment made by the principal noticee, the Petitioner could not be subjected to a separate demand in respect of the same transactions.

20. Reliance has also been placed upon Section 75(13) of the CGST Act. It is contended that, in view of the conclusion of the earlier proceedings, the Petitioner cannot be subjected to a penalty for the same act or omission in the proceedings initiated by Respondent No.2.

21. The learned counsel accordingly submits that the impugned Show Cause Notice as well as the order dated 29.08.2024 deserve to be quashed and the pending proceedings before Respondent No.2 deserve to be brought to an end.

---

[1] 2023 SCC OnLine Del 6664

ANALYSIS & FINDINGS:

22. This Court has considered the submissions advanced by learned counsel for the Petitioner and has perused the material placed on record.

23. At the outset, it is necessary to notice that the Petitioner seeks to invoke the extraordinary jurisdiction of this Court against an order dated 29.08.2024 whereby a demand has been raised under the CGST Act. The statutory scheme provides a remedy of appeal against such an order. The Petitioner admittedly did not avail the said statutory remedy within the prescribed period.

24. The existence of an efficacious alternative statutory remedy is a material consideration while exercising discretionary jurisdiction under Article 226 of the Constitution of India. The Petitioner has not demonstrated any circumstance which would warrant bypassing the statutory appellate mechanism in the present case. The challenge raised by the Petitioner essentially concerns the jurisdictional and factual aspects of the demand raised against it, which can appropriately be examined in the statutory appellate proceedings.

25. The delay with which the present Petition has been instituted also assumes significance. The Impugned Order was passed on 29.08.2024, whereas the present Writ Petition has been instituted only in August 2026. Thus, there is a substantial lapse of time between the passing of the Impugned Order and the institution of the present proceedings.

26. The only explanation offered by the Petitioner is that it filed an application for rectification on 07.04.2025 and that the same is pending. The filing of a rectification application, however, cannot by itself obliterate the delay in challenging the original order, particularly when the Petitioner consciously chose not to avail the statutory remedy of appeal against the order dated 29.08.2024.

27. The writ jurisdiction of this Court is discretionary and equitable in nature. A party seeking to challenge an order after allowing the statutory period of appeal to lapse must satisfactorily explain the delay. No such satisfactory explanation has been furnished in the present case. The petition, therefore, suffers from unexplained delay and laches.

28. Even otherwise, the principal contention of the Petitioner based upon Section 6(2)(b) of the CGST Act does not merit acceptance on the facts of the present case.

29. The legislative scheme embodied in Section 6 of the CGST Act contemplates cross-empowerment of officers of the Central and State tax administrations while, at the same time, seeking to avoid multiplicity of proceedings in respect of the same subject matter. Section 6(2)(b) is intended to prevent initiation of parallel proceedings where proceedings on the same subject matter have already been initiated by the other tax authority.

30. The expression "same subject-matter" occurring in Section 6(2)(b) is therefore of central significance. The mere fact that two proceedings arise out of the affairs of the same assessee, relate to overlapping periods, or originate from transactions having some

common factual background, does not, by itself, establish that the two proceedings concern the same subject matter.

31. The nature and scope of the two proceedings have, therefore, to be examined.

32. In the present case, the Show Cause Notice dated 29.05.2024 issued by Respondent No.2 under Section 73 of the CGST Act concerns the allegation that the Petitioner had not declared its correct tax liability for the period April 2019 to March 2020. The Impugned Order dated 29.08.2024 further records the allegation that the Petitioner had availed ITC from taxpayers who had not paid the tax on their outward supplies and, consequently, that the Petitioner was not entitled to the ITC with reference to Section 16(2)(c) of the CGST Act.

33. The proceedings initiated by the DGGI, on the other hand, arose out of a different set of allegations. The Show Cause Notice dated 31.03.2023 was issued against forty-five (45) noticees, including the Petitioner and the former Director of the Petitioner. The proceedings were under Section 74 and concerned allegations of fraudulent availment of ITC without actual supply of goods or services.

34. Thus, although the proceedings may have some factual or transactional overlap, the statutory provisions invoked, the nature of the allegations and the liability sought to be determined in the two proceedings are materially different.

35. The proceedings under Section 73 pursuant to the Show Cause Notice dated 29.05.2024 were directed towards determination of the

Petitioner's correct tax liability for the specified period, including the question of admissibility of ITC under Section 16(2)(c). The proceedings initiated by the DGGI under Section 74, on the other hand, were founded upon allegations of fraudulent availment of ITC without actual supply of goods or services and involved forty-five noticees.

36. Consequently, the Petitioner cannot succeed merely by demonstrating that both proceedings relate to transactions undertaken during the same financial period or arise from the broader business dealings of the Petitioner. For the bar under Section 6(2)(b) to operate, it must be shown that the two proceedings are in respect of the same subject matter. On the material placed before this Court, that requirement is not satisfied.

37. The reliance placed by the Petitioner upon the principle against parallel proceedings, therefore, does not advance its case. The statutory provision does not impose a blanket prohibition against every proceeding initiated by a Central or State tax authority concerning an assessee who has previously been subjected to proceedings by another GST authority. The prohibition is confined to proceedings on the same subject matter.

38. The distinction between the two proceedings becomes further apparent from the fact that the DGGI proceedings were initiated under Section 74, whereas the impugned proceedings were initiated under Section 73. The two statutory provisions operate in materially different circumstances. The mere use of common expressions such as

"ITC", "tax liability" or the existence of common transactions cannot render the subject matter of the two proceedings identical.

39. The Petitioner has also sought to rely upon the subsequent conclusion of the proceedings initiated by the DGGI. This contention also does not assist the Petitioner in the manner suggested.

40. The proceedings initiated pursuant to the DGGI Show Cause Notice were ultimately concluded on account of the payment made by the principal noticee, M/s Zee Entertainment Enterprises Ltd., of the tax liability along with applicable interest and penalty at the prescribed rate. On that basis, the proceedings against the co-noticees, including the Petitioner, were treated as concluded in terms of the statutory provision contained in Explanation 1 to Section 74 of the CGST Act and the corresponding provisions.

41. The consequence of the aforesaid conclusion is that no tax, interest or penalty has been directed to be recovered from the Petitioner in those proceedings. The Petitioner, therefore, cannot rely upon the said conclusion to contend that the separate liability determined against it by Respondent No.2 under the impugned order automatically stands extinguished.

42. The subsequent conclusion of the DGGI proceedings cannot retrospectively invalidate the proceedings independently initiated by Respondent No.2, particularly when the latter proceedings concerned a different statutory basis and a different subject matter.

43. The Petitioner has also relied upon Section 75(13) of the CGST Act. The said contention proceeds on the assumption that the

Petitioner has already been subjected to a penalty for the same act or omission in the earlier proceedings.

44. The record, however, does not support such an assertion. The proceedings pursuant to the DGGI Show Cause Notice were concluded against the Petitioner by treating the proceedings against the co-noticees as deemed concluded in consequence of the payment made by the principal noticee. The Petitioner itself does not point out any order whereby it has been called upon to discharge any tax, interest or penalty pursuant to those proceedings.

45. In these circumstances, the bar contained in Section 75(13) cannot be invoked merely on the basis that the Petitioner was named as a co-noticee in the earlier Show Cause Notice. The provision relied upon by the Petitioner would require a prior imposition of penalty for the same act or omission. No such prior penalty imposed upon the Petitioner has been shown to this Court.

46. There is yet another aspect which cannot be overlooked. The Petitioner had the opportunity to challenge the order dated 29.08.2024 before the competent appellate authority. Instead of pursuing the statutory remedy within the prescribed period, the Petitioner allowed the statutory period to lapse and thereafter filed a rectification application. The present Writ Petition has subsequently been instituted after considerable delay.

47. The pendency of the rectification application cannot confer upon the Petitioner a fresh or extended period of limitation for challenging the original adjudication order. Nor can the mere

pendency of such an application constitute a sufficient explanation for the prolonged delay in invoking the writ jurisdiction of this Court.

48. The Court is also conscious of the fact that the Petitioner has questioned the jurisdiction of Respondent No.2. Ordinarily, a plea of lack of jurisdiction may warrant consideration notwithstanding the availability of an alternative remedy. However, in the present case, as noticed hereinabove, the jurisdictional objection itself is founded upon the applicability of Section 6(2)(b), and the said provision is not attracted since the two proceedings cannot, on the material placed before this Court, be treated as proceedings on the same subject matter.

49. The reliance placed by the Petitioner on the judgment of this Court in ***Amit Gupta*** *(supra)* also does not alter the conclusion reached herein. The said decision recognizes the statutory scheme intended to prevent multiple proceedings on the same subject matter. It does not dispense with the statutory requirement that the proceedings sought to be interdicted must actually concern the same subject matter. That foundational requirement is absent in the present case.

50. The Petitioner's contention that the DGGI proceedings had exclusive jurisdiction merely because the investigation was first initiated by the Anti-Evasion Branch and subsequently transferred to the DGGI is also not sufficient to sustain the present petition. The transfer of an investigation in respect of one set of allegations cannot, in the absence of identity of subject matter, operate as a blanket ouster

of the jurisdiction otherwise available to another proper officer under the GST enactment.

51. The Court is, therefore, unable to accept the submission that the Show Cause Notice dated 29.05.2024 was rendered without jurisdiction merely because the DGGI had earlier issued a Show Cause Notice dated 31.03.2023 against the Petitioner and other noticees.

52. The challenge to the Impugned Order is consequently liable to fail on more than one ground.

i. First, the Petitioner had an efficacious statutory remedy of appeal against the order dated 29.08.2024, which it failed to avail within the prescribed period.

ii. Second, the present Writ Petition suffers from unexplained delay and laches.

iii. Third, on merits also, the two proceedings are not shown to concern the same subject matter so as to attract the bar under Section 6(2)(b) of the CGST Act.

iv. Fourth, the reliance upon Section 75(13) is misplaced since no penalty has been shown to have been imposed upon the Petitioner in the earlier proceedings for the same act or omission.

53. Before concluding, it is clarified that this Court has considered the challenge only for the purpose of determining whether the Petitioner has made out a case for exercise of the extraordinary writ jurisdiction of this Court against the impugned proceedings. Nothing

contained herein shall be construed as an expression of opinion on any issue which may properly arise before the competent statutory authority in accordance with law.

CONCLUSION:

54. In view of the aforesaid discussion, the present Writ Petition is found to be devoid of merit and is, accordingly, dismissed.

55. The Petitioner may, in accordance with law, avail such remedy as may be available against any order that may be passed by the competent authority on its pending rectification application. If such remedy is otherwise maintainable in law, the competent authority shall consider the same in accordance with the applicable statutory provisions. The observations made in the present order shall not be construed as a final expression on the merits of any such proceedings.

56. All the pending applications stand closed.

ANIL KSHETARPAL, J.

RAJNEESH KUMAR GUPTA, J.

SEPTEMBER 25, 2026
s.godara/pal