IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CRIMINAL APPELLATE JURISDICTION

WRIT PETITION NO.877 OF 2026

Seaquest Trading Pvt. Ltd., Kalyan (W), Thane]
Through its Director-Mr. Noorain Asif Downak] .. Petitioner

Versus

1. Union of India]
2. State of Maharashtra]
3. Assistant Commissioner State Tax,]
   Investigation – B Mumbai]
4. The Superintendent, Anti Evasion,]
   CGST & Central Excise,]
   Thane Rural Division, Mumbai] .. Respondents

Ms. Luccy Massey with Ms. Amita Canneil and Ms. Preeti Dubey, Advocates for the Petitioner.
Mr. K.V. Saste, Additional Public Prosecutor for Respondent No.2.

CORAM : SHREE CHANDRASHEKHAR, CJ. &
GAUTAM A. ANKHAD, J.

DATE : 2ND APRIL 2026.

P.C. :

The petitioner-Company is seeking a declaration that the action of the respondent no.4 in blocking the petitioner-Company's Electronic Credit Ledger under Rule 86A of the Central Goods and Services Tax Rules, 2017 is illegal, arbitrary and without jurisdiction. It is further seeking a declaration that the action taken by the respondent no.4 shall constitute *res-judicata* and it is not authorized to conduct re-investigation. In the background of the aforementioned prayers, the petitioner-Company is seeking quashing of all the proceedings initiated by the respondent no.4.

2. A photocopy of the summons dated 31st October 2025 issued under section 70 of the CGST Act by the Superintendent (Anti Evasion), CGST & Central Excise, Thane Rural Division to one of the Directors of the petitioner-Company is tendered in the Court.

3. Taken on record and reproduced below for ease of reference:

Exh- E

~~Annex~~ 2

Coram : The Hon'ble The Chief Justice &
Shri Gautam A Ankhad, J

Date : 02/04/2026 Taken on record. 02/04/26

CBIC-DIN-20251067VS000000B3DC

GSTIN- 27ABOCS6036N1ZL

File No- GEXCOM/AE/INV/GST/13268-AE- O/O COMMR-CGST-THANE (R) / 6808

SUMMONS

[under Section 70 of the Central Goods and Services Tax Act, 2017]

To,

Umer Munawar Mulla, Director of M/s Seaquest Trading Private Limited having GSTIN 27ABOCS6036N1ZL

Shop no 01 Survey no 308/B, Shazia Manzil STC 3462, Govindwadi Road, Kalyan West, Kalyan, Thane, Maharashtra, 421301

WHEREAS, I, **Sushil Kocharekar** am making inquiry in connection with **GST Enquiry i.r.o. M/s Seaquest Trading Private Limited having GSTIN 27ABOCS6036N1ZL**

under the Central Goods and Services Tax Act, 2017.

AND WHEREAS, I consider your attendance necessary to

(a) give evidence and / or

(b) produce documents or things of the following description in your possession or under your control:

1. ITR and B/S for FY 2024-25 and 2025-26 i.r.o. M/s Seaquest Trading Private Limited

2. Invoices and transport documents, payment details, i.r.o Purchase and sales for FY 2024-25 and 2025-26

3. Oral Evidence

NOW, THEREFORE, in exercise of powers vested in me under Section 70 of the Central Goods and Service Tax Act, 2017 I do hereby summon you to appear before me ☒ **in person** / or ☐ **by an authorized representative 2025-11-03 at 11:45:AM** at the office of **2nd Floor GST Bhawan, Plot No 24-C: Sector-E, Bandra-Kurla Complex, Bandra (E): Mumbai - 400051**

Inquiry as aforesaid is deemed to be a judicial proceeding within the meaning of section 229 and section 267 of Bharatiya Nyaya Sanhita, 2023 (45 of 2023) and non-complinace of this summon is an offence punishable under section 208 and section 210 of Bharatiya Nyaya Sanhita, 2023 (45 of 2023).

Given under my hand and seal of office to-day the **31** day of **October , 2025** at **Mumbai**

Name : **Sushil Kocharekar**

Signature : 31/10/2025

Designation :

Superintendent / Appraiser / Senior Intelligence Officer

Seal of Office.

अधीक्षक (कर अपवंचन)
Superintendent, (Anti Evasion)
केन्द्रीय वस्तु एवं सेवा कर, ठाणे ग्रामीण
CGST & C. Ex., Thane Rural

4. The petitioner-Company, which is represented through its Director, namely, Mr. Noorain Asif Downak states that it is a trading company which has received a Certificate of Incorporation on 5th November 2024. The petitioner-Company further claims that it has paid all taxes and uploaded all material documents on the GST portal. The petitioner-Company has the knowledge about investigation being conducted by the Superintendent, Anti Evasion, CGST & Central Excise, Thane Rural Division.

5. Ms. Luccy Massey, the learned counsel for the petitioner-Company refers to the judgment rendered by Hon'ble Supreme Court in *"M/s. Armour Security (India) Ltd. v. Commissioner, CGST, Delhi East Commissionerate & Anr."*[1] to contend that two parallel proceedings cannot be instituted both by the State and Central GST officers. This is the stand put forth on behalf of the petitioner-Company that the summons issued under section 70 of the CGST Act pertains to the same matter which is the subject-matter of investigation by the Assistant Commissioner of State Tax, CST (Investigation-B), Mumbai. Placing reliance on clause (b) of sub-section (2) of section 6 of the CGST Act, Ms. Luccy Massey, the learned counsel for the petitioner-Company submits that the summons issued to the petitioner-Company under the CGST Act is illegal and without jurisdiction.

6. On a glance at the decision in *"M/s. Armour Security (India) Ltd."*, we gather that the Circular dated 5th October 2018 which was issued by Central Tax Authority and State Tax Authority clarify the legal position and clearly authorizes both the officers of Central Tax Authority and State Tax Authority to carry on investigation. Under paragraph no.4 of the Circular dated 5th October 2018 it is stated that, if an officer of the Central Tax Authority initiates intelligence based enforcement action against a tax-payer which is assigned to a State

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Tax Authority on the administrative side then the officer of the Central Tax Authority would not transfer the case to the said tax-payer's counterpart and would himself take the case to its logical conclusion. The expression "logical conclusion" has been explained by the Hon'ble Supreme Court in the said case not to invariably refer to an order of assessment in every case. In paragraph nos.76 and 77 of the reported judgment, Hon'ble Supreme Court has held as under:-

> *"76. The said Circular is premised on the administrative division of the taxpayer base, as explained in Circular No.01/2017 dated 20.09.2017. We would like to underscore that this division of the taxpayer base does not operate as a bar to the initiation of enforcement action by Central Tax officers against a taxpayer assigned to the State Tax authority and vice versa.*
>
> *77. Enforcement action undertaken by any Department is ordinarily based on intelligence as elucidated by us in paragraph 48 of this judgment and the authority initiating such action is empowered to carry the matter to its logical conclusion. The term "logical conclusion" does not invariably refer to an order of assessment in every case. Rather, it denotes the decision arrived at by the officers of the Department, having regard to the peculiar facts and circumstances of each case."*

7. The contention raised on behalf of the petitioner-Company that the action taken by the CGST officer is not permissible in view of the provisions under clause (b) of sub-section (2) of section 6 of the CGST Act is liable to be rejected. The provisions under clause (b) of sub-section (2) of section 6 shall apply to the case of initiation of two parallel proceedings if the subject matter of both is the same. However, this is not the factual situation in the present case. The records would reveal that on serious allegations of committing violations of the GST Act, a proceeding was initiated and one of the Directors of M/s. Dawnak Enterprises LLP was arrested. The Director of the petitioner-Company was issued summons and he has approached the Court for

anticipatory bail which was granted to him by an order dated 13th October 2025. There is an allegation that the petitioner-Company has availed input tax credit amount upto Rs.2.56 crores based on invoices or bills without supply of goods or services. There are other serious allegations made against both the Companies to which we are not referring to at the present moment. The violations of the goods and services tax enactment seriously challenges the financial stability of the country and merely on raising a technical plea, the writ Court should not exercise its discretionary powers in favour of a violator.

8. We find no merit in this writ petition which is, accordingly, dismissed.

[GAUTAM A. ANKHAD, J.] **[CHIEF JUSTICE]**