HC-KAR

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 4TH DAY OF JUNE 2026

BEFORE

THE HON'BLE MR. JUSTICE B M SHYAM PRASAD

WRIT PETITION NO. 16099 OF 2026 (T-RES)

BETWEEN:

M/S ZEUS INDIA,
REPRESENTED BY PROPRIETOR,
SHRI SYED GULSHEER,
S/O B S ALTHAF,
AGED ABOUT 36 YEARS,
AT NO.9, SILVERS FALLS APARTMENTS,
4TH CROSS, KAVAL BYRASANDRA NEW LAYOUT,
BENGALURU, KARNATAKA 560 032.

...PETITIONER

(BY SRI. HARISH VASHISTH., ADVOCATE)

AND:

1. STATE OF KARNATAKA
REPRESENTED THROUGH
THE CHIEF SECRETARY,
VIDHANA SOUDHA BENGALURU,
KARNATAKA- 560 001.

2. JOINT COMMISSIONER OF COMMERCIAL TAXES,
JCCT (APPEALS) - 5, TTMC, B-BLOCK,
BMTC BUILDING, 2nd FLOOR,
SHANTINAGAR, BENGALURU,

KARNATAKA 560 027.

3. ASSISTANT COMMISSIONER OF
COMMERCIAL TAXES,
LGSTO 150-BNG DGSTO-5,
BENGALURU, KARNATAKA 560 032.

...RESPONDENTS

(BY SRI.K. HEMA KUMAR., AGA)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO THE PETITIONER THEREFORE, IN THE CONTEXT AND CIRCUMSTANCES, AS ENUMERATED ABOVE, IS AT THE MERCY OF THIS COURT AGAINST THE ARBITRARY AND EXCESSIVE AUTHORITY OF THE EXECUTIVE ACTION. WHEREFORE, RESPECTFULLY PRAYING TO (A) ISSUE A WRIT OF CERTIORARI OR ANY OTHER APPROPRIATE WRIT, ORDER OR DIRECTION, QUASHING THE IMPUGNED ORDER BEARING NO. ACCT/LGSTO-150/CR26-09/ASSN-104/2022-23/ DRC-1(80)/DRC-07(63) DATED 27TH JANUARY 2023 (ANNEXURE-A) PASSED BY THE RESPONDENT NO.3 ASSISTANT COMMISSIONER OF COMMERCIAL TAXES, LGSTO-150, BENGALURU - FOR THE FINANCIAL YEAR 2018-19 (TAX PERIOD APRIL 2018 TO MARCH 2019; (B) ISSUE A WRIT OF MANDAMUS OR ANY OTHER APPROPRIATE WRIT, ORDER OR DIRECTION, DECLARING THAT THE PETITIONER IS ENTITLED TO THE ENTIRE INPUT TAX CREDIT OF INR 7,31,740 (COMPRISING IGST INR

4,24,364, CGST INR 1,53,688, AND SGST 1,53,688) FOR THE FINANCIAL YEAR 2018-19, AND THAT THE DEMANDS FOR INTEREST OF 4,31,225 AND PENALTY OF 73,174 LEVIED UNDER THE IMPUGNED ORDER ARE ILLEGAL, WITHOUT JURISDICTION, AND LIABLE TO BE SET ASIDE.

THIS PETITION, COMING ON FOR PRELIMINARY HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE B M SHYAM PRASAD

ORAL ORDER

The petitioner has called in question the Order in Form GST DRC-07 dated 27.01.2023 and the Summary of Order [Annexure-A] with a prayer for declaration that it is entitled to claim Income Tax Credit [*ITC*] for the financial year 2018-19 and that the demands for interest and penalty are illegal. The impugned order is after the Show Cause Notice in Form GST DRC - 01 under Section 73 (1) of the Karnataka Goods and Services Act, 2017 [for short, *'the Act'*] but the petitioner has not filed any response.

2. The petitioner has approached this Court calling this order dated 27.01.2023 now [*after more than three years*] contending that it has filed its monthly returns for the relevant Tax paid before 05.03.2020 and because it is filed before 30.11.2021 the impugned orders cannot be sustained in view of the amendment to Section 165 of the Act and the notification dated 27.09.2024,

3. Sri Harish Vashist, the learned counsel for the petitioner, argues for intervention in the light of these circumstances. Sri Hema Kumar K., the learned Additional Government Advocate who accepts notice for the respondents, does not dispute that the petitioner would be entitled to the benefit of consideration of the returns filed prior to 30.11.2021 in view of certain decisions of the Supreme Court, including the decision in W.P.No.7217/2026 [*T-RES*]. However, the learned Additional Government Advocate submits that this Court may consider that

the petitioner has not approached the Court immediately after the notification dated 27.09.2024.

4. A copy of the order in W.P.No.7217/2026 is produced, and this Court has observed thus while directing the authorities to reconsider the petitioner's ITC claim in the light of the observations in W.P.No.6883/2026[T-RES], which is disposed of on 11.03.2026.

> *"Needless to state that the returns having been filed by the petitioner within the cut-off date as stipulated under sub-clause (5) to Section 16 and relates to the period as mentioned therein, accordingly, the petitioner would be entitled for such claim. The respondent Authority to reconsider the matter and re-look into the claim of ITC in light of the observations made above and to re-adjudicate the matter. All other contentions are kept open."*

In the light of these circumstances, the petition is allowed-in-part quashing the order of adjudication dated 27.01.2023 calling upon the authority to reconsider and examine whether the petitioner must be allowed to claim ITC in terms of the returns filed before 30.11.2021.

Sd/-
(B M SHYAM PRASAD)
JUDGE

SA
Ct:sr